National Restaurant Association

Vol. 4 □ No. 7 □ August 1984

NRA NEWS

08/09 MEMBER#81L006WF
STATISTICAL REFERENCE IND
CONGRESSIONAL INFO SERVICE
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

The dish ran away with the spoon

Theft: How to prevent it

NRA MEETINGS

NRA NEWS
Vol. 4, No. 7 August 1984

American Regional Cookery
10/24 Hyde Park, NY

Simplified Baking Workshop
9/11 Denver, CO
9/13 St. Louis, MO
10/23 Albany, NY

Off-Premise Catering
9/17–18 Knoxville, TN
10/8–9 Albuquerque, NM

Computers in Foodservice: A Primer
9/10 Los Angeles, CA
10/15 Washington, DC

Computers in Foodservice: Advanced Technologies/Now That I Have One . . .
9/11 Los Angeles, CA
10/16 Washington, DC

Perfecting Your Culinary Skills
9/11 Detroit, MI
9/13 Minneapolis, MN
10/16 Orlando, FL
10/18 Miami, FL

Restaurant Design & Facilities Planning
9/17–18 Boston, MA

Dining Room Management
9/4 Rochester, NY
9/10 Toronto, Canada
9/12 Ottawa, Canada
9/17 New Orleans, LA
10/25 Tucson, AZ

Food Cost Management
10/2 Wilmington, DE
10/4 Hyannis, MA
10/11 Phoenix, AZ
10/22 Shreveport, LA

Kitchen Management
9/4 Scranton, PA
9/6 Indianapolis, IN
9/20 San Francisco, CA
10/2 Appleton, WI
10/11 Williamsburg, VA
10/15 Louisville, KY

Controlling Labor Costs
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10/15–16 Atlanta, GA

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation
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10/15–16 Minneapolis, MN

Planning & Implementing Restaurant Marketing Strategy
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10/3–4 Seattle, WA

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10/9 Washington, DC
10/10 Williamsburg, VA
10/27 Wichita, KS

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11/1 Chicago, IL

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10/17 Boston, MA

Soups and Sauces
9/4 Louisville, KY
9/6 Knoxville, TN

Basic Supervision in Foodservice
9/11 New Haven, CT
9/18 Pocatello, ID

Tools for Training
9/19 Wilmington, DE
10/1 Portland, OR
10/22 King of Prussia, PA
10/24 Lansing, MI

Hospitality Workshops
9/11–12 Full Service Chicago, IL
9/13–14 Fast Food Chicago, IL
9/17–18 Full Service San Francisco, CA
10/29–30 Full Service Denver, CO
10/31–11/1 Fast Food Denver, CO
11/7–8 Cafeteria Los Angeles, CA

National Conference Series
8/26–29 National Conference on Marketing, Advertising and Promotions Long Beach, CA
9/29–10/3 Ninth Annual California Wine Workshop Sonoma, CA
10/28–31 National Conference on Off-Premise Catering Washington, DC

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Internal Audit
9/4–7 Boston, MA

Financial Officers
9/5–7 Boston, MA

Tax Executives
9/5–7 Boston, MA

Market Research
9/19–21 Portland, OR

Marketing Executives
10/14–17 Chicago, IL

EDP
10/16–19 Toronto, Canada

Purchasing Managers
10/17–19 Orlando, FL

Quality Assurance
October San Antonio, TX

MAECO
November Denver, CO

Safety Officers
January Miami, FL

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NRA NEWS (ISSN 0465-7004) is published monthly, except combined June/July issue, by the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. Membership dues include a one-year subscription to *NRA NEWS*. The non-member subscription fee is $125 per year. Second-class postage paid at Chicago, IL 60607 and additional mailing offices. Copyright © NRA 1984. Postmaster, send address change to *NRA NEWS*, 311 First St., N.W., Washington, DC 20001.

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PRESIDENT'S REPORT

Harris O. Machus
President and Owner
Harris O. Machus
Enterprises, Inc.
Birmingham, Michigan

Members are reporting that it's been a good summer for the foodservice industry. Greater discretionary funds have meant more meals away from home, and a record level of summer vacationers have swelled customer counts.

Promoting careers in foodservice

Despite the busy season, NRA officers and directors have been active on your behalf. A special task force is holding a series of meetings investigating what we need to do to increase the pool and quality of persons interested in foodservice as a career. (See story p. 9)

We know we need more information on public attitudes toward careers in foodservice, and the public needs more information about what we, as an industry, have to offer our employees. NRA is preparing to tackle these problems in a significant way.

Developing strategies on wage issues

Preparation is also underway for the first meeting of NRA's Labor Issues Study Group—a Board-level committee which will review proposed and existing laws governing employee compensation. This committee will develop strategies to further your interests in regard to

- minimum wage proposals
- youth opportunity wage
- higher level of tip credit
- status of exempt managers and
- repeal of FUTA tax on tip income.

Celebrating Grandparents Day

On September 9, thousands of NRA members will be using materials and ideas distributed by NRA to promote Grandparents Day. Besides producing posters, table tents and a brochure of promotional ideas, your association is spreading the word about the holiday through the media. You may already have heard the Grandparents Day announcement that was distributed to radio stations across the country by satellite.

As a grandfather, I think Grandparents Day is a first-rate idea. As a restaurateur, I know it's good for business. NRA will continue to promote this holiday until everyone in America knows that the first Sunday after Labor Day is the day that all Americans take their grandparents out to eat.

Getting out the facts

This year's "Foodservice Industry Pocket Factbook" is included in this issue of ***NRA NEWS***. This is a small, but powerful document. It contains the figures which show how essential our industry is to the American lifestyle and to the economy. We employ eight million peo-

ple and account for five percent of the GNP. We continue to promote these key facts, and you may find this factbook useful to you on those occasions when you have the opportunity to talk about our industry.

You are our industry's best PR men and women. Carry the pocket factbook in your wallet or purse and cite it often.

Placing your name on the roll of honor

Early next month you will receive a much bigger NRA publication—a copy of the 1984–85 NRA Membership Directory. It includes a full calendar of industry events and a classified buyer's guide for restaurateurs. More important, it contains a state-by-state listing of all NRA members—the leading and most dedicated foodservice operators in the country. I am delighted that the name of your company is listed in this book of distinction.

Taking action on DWI

Positive response to NRA's information packet, "Help Prevent Drunk Driving," has been overwhelming. Only weeks after those member companies that sell alcohol received it, I am getting reports of a wide variety of new programs introduced by restaurateurs who want to do their part. As you get into your own program, let us know about it. Send a brief description or a sample of your materials to the attention of the NRA Communications Department.

During the past month, 118 members joined NRA. I welcome you to the most prestigious foodservice trade association in the world. Your business will grow through participation in NRA activities, and your association can be more effective in its endeavors.

Sincerely,

Harris

Harris O. Machus
President and Chairman of the Board

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Cover Story

According to crime prevention experts, five cents of every dollar a restaurant rings up in sales is lost to theft. Because most of this loss could be prevented by a good system of internal controls, this month the ***NRA NEWS*** looks at ways you can tighten your operating procedures to cut back on pilferage.

10 NRA members discuss their techniques for maintaining internal security. Note the boxes on prudent cash register policies and preventing credit card fraud.

14 Computer security should not be overlooked. This article presents eight steps to protect your information resources.

17 Practical suggestions for tighter security—from screening procedures to undercover surveillance. Don't miss the sidebar on customer theft.

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Cover illustration: Burkey Belser

SHORT ORDERS

NRA member implements Hospitality Project

Grisanti, Incorporated, a Louisville, KY-based company of four full-service restaurants, has obtained certification from NRA for successfully completing its new Hospitality Project and implementing the hospitality program in all aspects of its foodservice operations. NRA's Hospitality Project provides restaurant operators and their staffs with measurable standards for quality service.

NRA presented the Hospitality Project in October 1983 to the Grisanti management staff. John Gwynn assumed the position of project coordinator, overseeing the training of management and staff as well as project implementation. The corporation successfully completed all staff, management, project coordinator and restaurant certification steps as well as the Hospitality Project Self-Auditing Checklist in six months.

Grisanti Incorporated, has been in the foodservice business since 1959. Its restaurants include Casa Grisanti's, Mama Grisanti's, and Sixth Avenue all of Louisville, KY; and a Mama Grisanti's in Bloomington, IN.

NRA publishes report on employee incentive programs

The National Restaurant Association has published a new report designed to help restaurateurs put together employee incentive campaigns.

Designing an Employee Incentive Program provides a step-by-step approach to creating and implementing an effective incentive program for a restaurant, gives examples of campaigns best suited for specific problems and provides worksheets.

The report is now available at a cost of $10 (plus $2 shipping and handling) for NRA members and $20 (plus $2 shipping and handling) for non-members. DC and Illinois residents add 6 percent sales tax. Chicago residents add 1 percent sales tax to the Illinois sales tax. To order, contact the National Restaurant Association, 311 First St., N.W., Washington, DC 20001 or call 800-424-5156. Payment *must* accompany all orders. Credit card telephone orders are accepted. Please specify number CS981 when placing your order.

NRA director of technical services dies suddenly

Andy Poledor, NRA director of technical services, died suddenly of a heart attack on Wednesday evening, July 18th, in St. Joseph, MI. He was at his new vacation home located in the same neighborhood where he had spent boyhood summers. He was planning to leave on a trip to China the following Saturday, had just been swimming and was taking a nap before dinner. Andy, who was 59, had a heart attack in the early 70s and another about four years ago; but unless you were aware of his daily regimen of walking and medication, you'd never know from his appearance or attitude he'd ever had a bad day.

Andy was one of those wonderful few whose accomplishments and talents were obscured by his genuine humility and gentle personality. He received his undergraduate degree in engineering from the University of Michigan and his MBA from the University of Chicago. He spent the next 23 years running "The Philadelphia," the family restaurant in South Bend, IN, which featured homemade hand-dipped chocolates and ice cream. After "The Phil" was taken from the family in an urban renewal project, Andy went back to school and earned his Ph.D. from Purdue University.

Andy's work at NRA reflected his personality—working quietly and effectively behind the scenes. He joined the staff in 1974, and he conceived, wrote, designed and produced NRA's *Sanitation Operations Manual*, e.g., *Safety Operations Manual*. When he died, he was half-way through the final volume, the *Facilities Operations Manual*. Andy also worked with almost 20 code and specification-writing groups making a quiet but effective contribution in heading off needless restrictions, procedures and requirements before they were written into a code, adapted by a regulatory agency and became a cost burden to the restaurant operator.

The longer one knew Andy the more fascinated one became with this complex man. He loved music and art, played the banjo—because, he said, it was the only instrument you couldn't play a sad song on. He was bi-lingual (Greek), and traveled around the world more than once. He missed by three weeks seeing the completion of a chapel at his church in South Bend, which he commissioned in honor of his mother.

Andy was the son of one of three brothers who emigrated from Greece around the turn of the century. The oldest brother changed the family name from Andrews to Poledor, which means many gifts, no doubt in recognition of the many blessings bestowed on the family. Andy's father named his oldest son Andrew, the original family name.

Andy was truly a remarkable man but, more important, one who gave of his many gifts—his counsel, his means, his friendship, his warmth, his humor.

It was a joy to have known him. The industry will miss him.

WASHINGTON REPORT

Congressional committees debate youth wage

The Reagan administration's proposal to allow employers to hire teens at $2.50 an hour during the summer was the subject of recent debates before two congressional committees.

Senate Labor and Human Resources Committee . . .

Labor Secretary Raymond Donovan appeared before the Senate Labor and Human Resources Committee to defend the plan, which he says will create some 400,000 temporary jobs.

The National Conference of Black Mayors also supported the proposal in a limited, experimental form, as a means of alleviating high unemployment among black teenagers.

Democrats on the panel, especially Sen. Edward Kennedy (D-MA), attacked the measure. The House Black Caucus is also very much opposed to the idea of a youth differential.

Backers of the proposal, which is favored by NRA, are not optimistic about its chances this year. It may be taken up in the Senate, but it is doubtful it will be considered in the House.

Joint Economic Committee . . .

The youth opportunity wage was also the focus of a debate before the Joint Economic Committee. Two economists, Dr. Walter Williams of George Mason University and Dr. Paul Osterman of Boston University, took opposing sides on the issue of whether a youth differential would reduce unemployment among teens.

Osterman spoke against a youth wage, recommending job training programs instead, which targets groups of disadvantaged youths.

Labor Secretary Raymond Donovan

Williams favored a youth wage. He argued that few employers are able to incur the costs of training unskilled youths while paying them the full minimum wage.

A youth opportunity wage would give employers an incentive to hire low-skilled youths, and it would provide these youths with a better career future, Williams said.

Mixed bag for restaurateurs

Congress has given final approval to a $50 billion tax package—part of a federal deficit "down payment," which is to include reductions in domestic and defense spending as well.

The tax package is a mixed bag for restaurateurs. Among the hundreds of changes to the U.S. Tax Code are some that would mean higher costs for employers. Others supported by NRA would benefit the restaurant industry.

The Targeted Jobs Tax Credit (TJTC), for example, was extended for one year. Used extensively by food-service operators to hire the handicapped and economically disadvantaged, the credit would have expired at the end of this year. The new expiration date: Dec. 31, 1985.

There was also good news concerning the **tip reporting law.** As a result of NRA efforts, Congress eased some of the requirements. Changes will include

- allowing an operator to apply for a reduction in the eight percent tip reporting threshold to as low as two percent
- allowing employees as a group to petition IRS for a reduction in the threshold
- allowing an owner, with at least a 50 percent share of an incorporated restaurant, to avoid being counted as an employee for purposes of the 10-employee coverage rule and
- instructing IRS to prescribe by regulation the applicable recordkeeping requirements for tipped employees.

Congress chose the lesser of two evils when it came to **raising the federal excise tax (FET)** on distilled spirits. It accepted a Senate-passed provision, which amounts to a $2-a-gallon increase. (The House version would have raised the FET by $3.75 a gallon.)

The current tax of $10.50 on one gallon of 100 proof liquor would jump to $12.50 a gallon starting Oct. 1, 1985.

There would be a one-time tax on liquor inventory. Stock on hand as of Oct. 1, 1985, would be subject to the FET increase of $2 a gallon if there were more than 400 proof gallons of distilled spirits on the premises.

A House-passed provision to count all reported tip income as taxable wages for **unemployment tax (FUTA)** was also approved. Effective date: Jan. 1, 1986, unless a state legislature had not met for 25 consecutive days. Then the effective date would be Jan. 1, 1987.

In other matters, a Senate-approved enterprise zone proposal was dropped; tax deductions for the business use of luxury cars were stretched out; a limit of $150 per capita was placed on the total amount of industrial bonds development (IDBs) that can be issued by a state; and the depreciation period for real estate was extended from 15 to 18 years.

Immigration bill pending

A controversial immigration bill is now pending before a House-Senate conference, awaiting final consideration by Congress. The bill contains sanctions against firms that "knowingly" hire illegal aliens, and it has new employer recordkeeping requirements.

There is a small chance the final bill will be rejected by the House, since the vote to report the bill was a close 216 to 211.

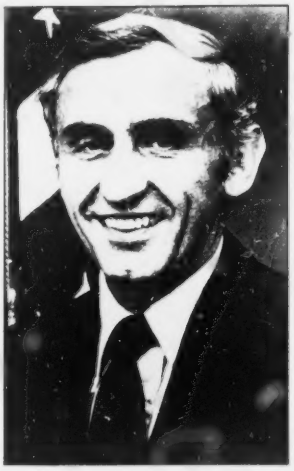
Hispanic groups and a majority of Democrats are opposed to the legislation.

They contend employer sanctions will result in job discrimination. NRA also opposes the bill as do most business groups.

One of the most controversial provisions would grant amnesty to those illegally in the country prior to Jan. 1, 1982. (The Senate bill would grant amnesty to those who had entered before 1980). Neither of the bills alters the requirement in current law that permanent residents wait five years before applying for U.S. citizenship.

Both House and Senate bills would set up a system of fines for employers who "knowingly" hire, recruit or refer for employment any illegal aliens.

Following enactment, there would be a grace period during which notice would be served to violators, but there would be no fines.



U.S. Rep. Romano Mazzoli (D-KY)

After the grace period ended, violators would be fined $1,000 per alien for the first violation and $2,000 per alien for the second violation. A "pattern or practice" of hiring illegal aliens could result in six months in jail under the Senate version. The House bill has no criminal penalties.

For all new employees, employers would be required to check two identification cards and sign a form stating the IDs appear to be valid. Employees would sign a form saying they are legally employable. A telephone verification system for Social Security card numbers would be established under the House bill. The Senate bill does not have the telephone verification provision.

House okays NRA-backed central kitchens exemption

In a victory for NRA, the House on July 24 approved a bill exempting restaurant central kitchens from federal inspection.

The bill exempts restaurant central kitchens preparing ready-to-eat food for company-owned outlets from federal meat and poultry inspection. Under existing law, such kitchens must meet requirements designed originally for larger meat processing plants.

USDA's Food Safety and Inspection Service administrator Dr. Donald Houston testified in favor of the bill in June.

Houston predicted an increase in central kitchens if the bill passed, but he noted that use of the facilities would not get out of hand because of the logistics of moving ready-to-eat foods long distances.

National drinking age of 21 approved

Earlier this summer, both the House and Senate approved a bill that has the effect of arbitrarily establishing a national drinking age of 21.

Congress virtually ignored statistics which show that raising the drinking age has no clear-cut effect on drunk driving fatalities.

As NRA pointed out during hearings and in countless visits to congressional offices, studies show that the worst drunk driving offenders are between the ages of 21 and 44 and that raising the drinking age has not resulted in a decrease in the consumption of alcohol.

NRA advocated better enforcement of DWI laws, stricter penalties and increased consumer education as a workable alternative to raising the drinking age.

NRA has begun an alcohol awareness program to encourage practices in restaurants and taverns that will reduce the likelihood of overconsumption and drunk driving.

NRA also said the legislation could result in the loss of thousands of food-service jobs for 18, 19 and 20-year-olds and could close down restaurants and drinking places that cater to young adults.

But the bill was passed with little debate, first by a voice vote in the House and then three weeks later by a recorded vote in the Senate.

The bill gives the states two years after enactment to raise their minimum purchasing age to 21. Those that fail to comply would lose five percent of their federal highway-construction funding in the third year and 10 percent in the fourth year.

The measure also would provide grants to those states that adopt mandatory sentencing for drunk driving convictions. States would receive an increase in their highway-safety funding of up to five percent if they establish tougher penalties against offenders, including two days in jail for a first conviction.

The Senate rejected a proposal supported by NRA that would have allowed the states to act on their own to reduce drunk driving fatalities. It would have provided additional grant money to states that required mandatory sentencing, raised their drinking age or reduced alcohol-related traffic fatalities by other means.

Sens. Gordon Humphrey (R-NH), Alan Simpson (R-WY) and Steve Symms (R-ID) offered this NRA-backed substitute.

—Jay Morris

THE BOARD ROOM

NRA board eyes disabled as answer to employment needs

Between 1980 and 1990, the number of employment positions in the foodservice industry will increase by more than 30 percent. Where will operators find the right people to fill these vacancies?

The NRA Board of Directors is addressing this problem. At a series of meetings held at key locations across the country, directors are sitting down with restaurateurs, educators, vocational counselors and trade press editors to discuss actions that will increase the number of job applicants.

Following a July 12 meeting in Washington, DC, NRA held a press conference promoting the employment of the physically and mentally disabled in foodservice at the Hyatt Regency Capitol Hill. The press conference released new survey results showing that many foodservice operators are already employing the physically handicapped, mentally retarded and mentally restored.

The survey, "Employment in Foodservice: Mentally Restored, Mentally Retarded and Physically Handicapped," was designed by NRA in cooperation with the National Institute of Mental Health (NIHM) and mailed to 7,000 NRA members last spring.

Responses from 1,172 completed surveys show

- Employment of the physically and mentally disabled in foodservice is widespread.
- The most important reasons for employing the handicapped were meeting community needs and concern for the less fortunate.
- Employers with no previous experience employing the mentally and physically disabled expressed interest in doing so.

The survey also revealed the following facts about employment of the mentally restored.

- Most respondents place mentally restored workers in sanitation and food preparation jobs.
- Respondents described mentally restored workers as better than their co-workers in terms of attendance and at least equal to their co-workers in terms of motivation to work, quality of work, punctuality and job tenure.

"Just Like You and Me," a new audiovisual training tool previewed during the conference, will be made available to foodservice operators across the country. Using the experiences of the Foundation House in New York City and the Menninger Foundation in Topeka, KS, "Just Like You and Me" shows how industries like foodservice are successfully employing the mentally restored in supervised entry-level jobs.

Copies of "Just Like You and Me" can be obtained free of charge by sending a blank videotape (¼ inch or ½ inch VHS or Beta) to Videotapes, Office of Special Projects, Room 14C05, National Institute of Mental Health, 5600 Fishers Lane, Rockville, MD 20857.

NJRA honors Director Knowles

NRA Director Harry Knowles, owner of the Manor in West Orange, NJ, has been named 1984 Restaurateur of the Year by the New Jersey Restaurant Association (NJRA). Knowles will be honored at NJRA's Restaurateur of the Year Fall Dinner Dance and Banquet at the Bethwood Restaurant in Totowa, NJ, on October 29.

In addition to the Manor, Knowles owns the Ramshead Inn, a continental restaurant outside of Atlantic City, NJ.

Balestreri awarded IFMA gold plate

NRA Vice President Ted J. Balestreri, co-owner of the Sardine Factory in Monterey, CA, was awarded the 1984 Gold Plate Award by the International Food Service Manufacturers Association (IFMA).

Balestreri, representing the full service restaurant category, was selected to receive the prestigious "Foodservice Operator of the Year" award from among eight Silver Plate recipients from eight different segments of the industry.

Balestreri's recognition is the latest of numerous industry awards, including the Ivy Award, *Travel/Holiday Magazine* Award and the International Wine and Food Society's Award for Excellence.

NRA President Machus calls for industry support of U.S. Culinary Team

At a recent $100-a-plate dinner to benefit the 1984 U.S. Culinary Team, NRA President Harris O. Machus urged restaurateurs and industry suppliers to contribute to the U.S. Culinary Team effort.

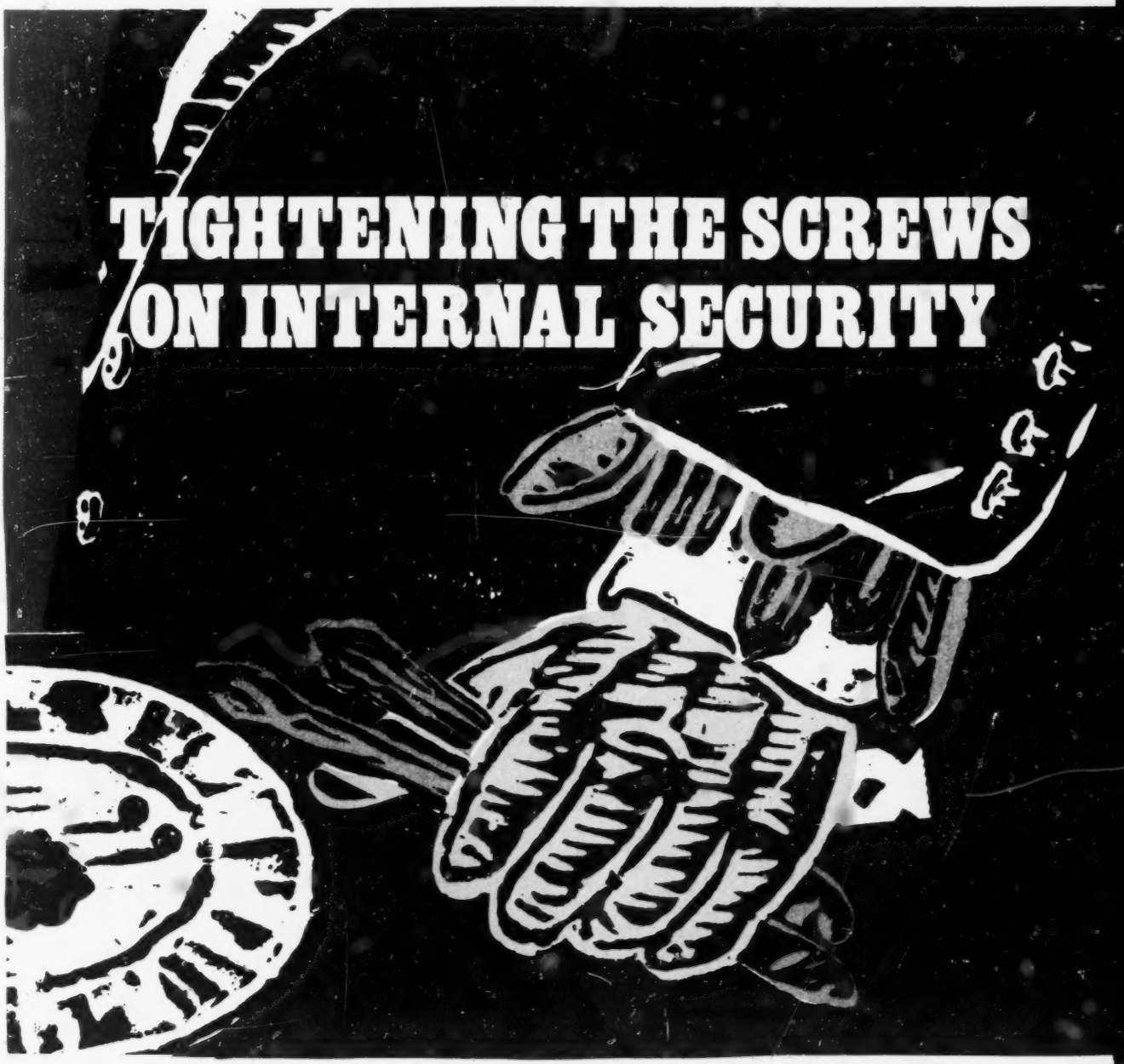
During the course of the evening, Machus, president of Machus Restaurants and Pastry Shops in Birmingham, MI, presented a check for $5,000 to U.S. Culinary Team Member Dan Hugelier. Hugelier is executive chef of Schuler's Inc., in Marshall, MI.

"We are proud to recognize the accomplishments of our 1984 U.S. Culinary Team," Machus told guests on hand for the occasion at the Machus Red Fox in Bloomfield, MI. "The knowledge and teamwork that our U.S. Culinary Team brings back from these competitions benefits the industry and the public in many ways.

"NRA is committed to the U.S. Team, and we hope that other people will also get involved, from restaurateurs to suppliers. We need to show our team that we are behind them through their many hours of training and competition, especially with the "culinary olympics" coming up in Frankfurt, Germany, this October."

—Dorothy Dee

TIGHTENING THE SCREWS ON INTERNAL SECURITY



by Kathy Boyle

Restaurants are easy marks for employee theft, and employees know it. Five cents of every dollar a restaurant rings up in sales is lost to theft. Out of that nickel, four cents are pocketed by the restaurant's employees. And it is probably no exaggeration that most, if not all, of that four-cent loss could be prevented. Crime prevention boils down to a good system of controls that "proact rather than react," says crime prevention expert Larry Schwartz of the Fraud and Theft Information Bureau in Boynton Beach, FL. Controls should "focus on halting and preventing crime before it occurs," says Schwartz, "because there are no longer enough police, and crimes involving under $5,000 rarely get investigated."

Get off to a good start . . .

Tightening the employee selection process is a good first step toward greater security. This means doing thorough reference checks for every employee hired. Chuck Muer, owner of C.A. Muer Corporation in Detroit, MI, who operates the Charlie's Crab seafood chain along with 32 other restaurants, suggests three steps for internal control. "First, select good people. This means do your reference checks. Second, set good controls and communicate your standards thoroughly and clearly. Third, enforce your rules, including termination for non-compliance."

Chuck Muer finds that his three-pronged approach toward selection and control has had good results. "Out of the 3,000 people I employ,

illustration by Bob Soule

each year, I maybe have to terminate one employee for theft."

John Curtis, owner of the Trellis Restaurant in Williamsburg, VA, couldn't agree more. "As far as employee theft is concerned," Curtis maintains, "make it very clear to people during the selection interview and in your employee manual that you won't tolerate theft. Then, don't make exceptions. Everyone should be subject to the rules. Even if a person is sorry, you must dismiss him because perceived controls underline the good job everyone else is doing. Once you compromise, you send a different signal; and the standards get slack."

Robert Cannon, general manager of Sweetwaters Restaurant in Clearwater, FL, attributes "90 percent of internal security to overall managerial control. You must know your employees, their background and where they previously worked." After doing the background checks on employees, "from there on out, it's a matter of keeping the employees happy," says Cannon. "You have to make sure you schedule employees properly so they get enough pay and tips. Then they'll do a good job for you."

Not everyone can be as lucky as Kay Wende of the Huddle Restaurant in Lima, OH. "In 39 years the restaurant has had only one incident of theft. We count on our people's honesty," says Wende. "We have a good staff. They have been here many years." Wende adds that keeping an eye on the operation is a must for any operator. "Either my husband or myself is on the premises all day. No one looks over an operation like an owner," she claims.

Reduce temptation . . .

A casual attitude about product security is nothing less than an invitation to trouble. "The whole secret to security control is to reduce temptation by reducing access to high cost items," says NRA Instructor Aaron Donatello. This means keeping high cost items secure as well as holding someone accountable for the inventory of those items.

Strict controls for receiving, storage and issuing of expensive items will help. Donatello suggests developing a forecast of needs for each shift and then issuing a specific number of products at the beginning of the shift and securing the area.

For high-ticket items, such as lobster, steak and liquor, a daily inventory may be necessary. At the Trellis Restaurant, the inventory is simple verification of what was used, versus what was sold. "For example, if our tally shows we used 15 bottles of wine, but sold only 12, simple deduction shows that three are missing," says John Curtis. "Then it becomes the manager's job to find out what happened to the three items. Did a bottle break or was something taken?"

Check the garbage . . .

Keeping an eye on what goes in and out of your operation can mean checking the garbage. For example, lobster tails and steak as well as silverware and linens may be going out with the garbage to be picked up later. One restaurant manager explains how he was repeatedly off on the steak count at the end of the dinner shift. One night he was so angry he got a flashlight and hid by the back door to catch the thief. But while waiting, he discovered the missing steaks in the garbage.

According to Roy L. Moorman, one of the owners of the Witmor

Farms Restaurant in Waynesville, MO, a down-home style roadside restaurant and coffee shop, regular kitchen and garbage checks just weren't enough. So for the past year, Moorman has been using electronic surveillance equipment in addition to his regular searches. "I feel I've been forced into it," says Moorman. Now

he has a camera on the back door with a monitor at home in his living room. Moorman says the camera cost about $500, and it's been worth the investment.

Other operators make even greater use of surveillance equipment than Moorman—at the cashier's station, the bar and even in the kitchen. In fact, one operator says the employees don't know about all the cameras he has. "They are hidden and they are so inconspicuous—being the size of a pinhead—so no one knows where they are but me."

Another technique used to good advantage is not to permit employees to bring large bags or other personal affects that could conceal inventory items in the back of the house. In addition, it is a good idea to require all employees to use only one exit.

Use a good system of cash control . . .

In a fast-paced restaurant operation there is a great deal of opportunity to pocket cash. When a customer puts the correct change for his bill on the bar or counter, the money can go straight to the employee's pocket. Other methods to get at the cash include conveniently forgetting to ring up sales, short-changing customers, or claiming the customer walked out on his bill. It is not easy to be everywhere in an operation, but as John Curtis of the Trellis Restaurant notes, "You can create various levels of eyes other than your own."

One important step often overlooked is adequate separation of duties. No matter what the size of the business, there must be a separation of financial duties in order to maintain any type of internal control. Responsibilities must be divided for accounting, inventory and storage so that no one person can conceal thefts by altering records. For example, the bookkeeper should never handle cash. The person who makes purchases should not be the person who pays the bills, and the person who writes the computer programs should not be the computer operator. Other helpful techniques include

1. bonding all employees who deal with financial transactions
2. sequentially pre-numbering order books and charge tickets, and making sure the numbers are accounted for on a daily basis
3. making all cash drops "blind." Waiters, waitresses and bartenders should not be able to read the cash register at any time. What this means, for example, is when a bartender counts out his "bank" at the end of each shift, he deposits the remaining cash in a vault without knowing what the actual deposit should be. Reconciliation of the register reading and cash drop is then done by another individual
4. shifting responsibility from time to time, especially in the bookkeeping department
5. paying attention to voids. If there are too many voids on one shift, or by a certain employee, there very likely could be a problem
6. checking liquor and food costs against revenue received daily or weekly and
7. policing the bar. Some operators use a spot check service to watch bar operations. This avoids cash mismanagement and provides valuable feedback on every part of the bar operation—good or bad. "If we get a good report, I tell everyone about it," says one operator. "If we have a problem, I review it privately with the employee—but I wait two or three weeks after the problem is identified. This way the employee can't catch on to who the spotter is."

Prevent credit card fraud . . .

Restaurants should have the same controls for credit card slips as they

Preventing credit card fraud

Restaurants need to be more cautious, argues Schwartz, by screening out fraudulent credit card purchases before they occur.

Many merchants think they are protected when they call for an approval number for a charge of over $50. But, according to Schwartz, "What merchants consider an authorization is really not an authorization at all. It is simply verification that the given credit card number does exist, that it has a credit limit balance sufficient to cover the purchase and that it has not been reported lost or stolen." A sure method for avoiding problems is to identify the card holder and verify the signature. This means asking for more identification.

Most restaurants don't like to bother customers for a second ID, so Schwartz recommends they follow a "failsafe" method that is a variation of the security measures hotels use. "When you check into a hotel, the clerk asks, 'What card are you going to use at checkout?' You assume this is to speed up the checkout procedure. Not so," says Schwartz. "The hotel is checking the identity of cardholders while they sleep." If the restaurateur follows the same procedure and asks for the card when the customer sits down to eat, he is protecting himself."

John Curtis of the Trellis Restaurants in Williamsburg, VA, feels he has very little problem with credit card fraud. "Credit cards are checked out pretty carefully," he says. "Most credit card problems are from carelessness, such as not noting the expiration date on a card to forgetting to call in for a code clearance."

do for cash. According to Larry Schwartz of the Fraud and Theft Information Bureau, problems with credit cards are often the fault of restaurants. "They handle credit card slips like they are scraps of paper instead of what they are—cash," he exclaims.

One restaurant chain had a problem with a ring of employees misusing customer credit cards. When those employees had a customer's credit card in their possession, they would run off several extra vouchers. Then, the next time a customer paid in cash, they filled in one of the extra credit card vouchers and pocketed the cash. In fact, the scheme became so complex that employees actually mailed vouchers between different locations at the chain to make it more difficult to be tracked down. By the time the crime was detected, many employees were long gone. Spot checks of employee use of credit cards might have meant earlier detection of the scam.

According to Larry Schwartz, "Today it is easier, safer and more profitable to steal with a credit card than with a gun. Shortages of police budgets and manpower, along with glutting of the courts with violent crimes, means large crimes get the most attention."

Audit your system . . .

Finally, no restaurant should ignore a financial audit. Auditors regularly spot discrepancies others can overlook. An independent audit of all records should occur at least once a year.

Of course, all of these systems can not guarantee that an operation will be theft-free, but each layer of added control makes the possibility of crime more difficult to carry out. ❑

Prudent cash register policies

by Jeffrey Davidson, C.M.E.

Your store's cash register policies can make or break you, for it is here that you get paid for all the inventory and expenses you have incurred to provide your products to the public. Fortunately, there are some simple and effective ways to ensure that cash transactions are undertaken in an effective and reliable manner.

Listed below are policies that have been implemented successfully by major fast-food franchisers.

1. Always make sure that sales are rung up at the time they are made. Instruct employees that under no circumstances, even if 10 people are in line, should cumulative cash register ring-ups be made. This is a sure route to error and a potential route to your getting ripped-off.

2. Insist that you be called for any under-rings or over-rings. By correcting errors as they occur, you'll facilitate more rapid consolidation of totals at the end of the day. Remind employees that the cash register drawer is to remain closed at all times except when ringing up a sale or making change. Once this policy is established, it will be difficult for an employee to maintain an open cash register drawer on any occasion.

3. If you have more than one checkout counter or more than one cash register, establish a rule that no money exchange between cash registers is allowed. This invites errors as well as other problems.

4. Ask all cashiers to always state the amount of sale in a loud, clear voice as the cash transaction is being handled. In this way, cashiers as well as customers will automatically produce a check or verification of the transaction. Also, the amount of currency from which the change is made should be stated. For example, if a customer pays for a small item with a 10-dollar bill, the cashier should say "A dollar and 25 cents out of 10 dollars."

5. Make sure that cashiers place the customer's money on the cash register ledge until change is made. After change is made, the customer's money should be put in the drawer. In this way, a customer cannot claim that he/she gave the cashier a larger bill than the one tendered.

6. Ask that the manager be summoned whenever a customer leaves money behind or if there is some reason to refund money to a customer. This eliminates a potentially troublesome responsibility for the employee and keeps the manager on top of abnormal cash transactions.

7. Train and remind employees about store credit policy, including use of personal checks, credit cards and store accounts. Provide specific instructions regarding third-party checks, check cashing and credit vouchers.

8. Assign each employee a unique code letter or number and periodically check to ensure that the number is being used solely by that employee. Also, carefully "walk" the employee through the checkout procedure, particularly when another employee is to take over that register.

9. Instruct cashiers that they are not to leave the immediate work area unless the store is empty or they have been given prior instructions to perform other tasks. While all cash and cash register transactions involve some degree of risk and the potential for loss, implementing policies, such as those above, will minimize the potential for problems. You may find it convenient to publish a list of policies and procedures relating to cash register operations and post the list where it can be easily read by employees but is out of view of customers.

COMPUTER FRAUD

PRACTICAL STEPS TO PROTECT YOUR COMPUTER

by Bob Hill
NRA manager of data processing

Computer fraud—crime committed with the aid of a computer or related to the use of a computer—can lead to massive losses. But the opportunity for misuse of a computer can be virtually eliminated if management faces up to the risks and dedicates itself to instituting and monitoring the necessary controls.

The purpose of controls is to protect against the unauthorized use of all computer resources, unauthorized access to and modification of data files and software, and the misuse of authorized activities. Controls are needed in three primary areas: the physical security of the computer; the security of the data files, programs, and computer software; and the human interaction with the data files, programs and software.

I. Physical access security . . .

Although businesses protect their grounds, buildings and offices, they frequently neglect to secure the resources of the computer department. Controls here should include

1) eliminating non-essential doors to the department. This should deter unauthorized removal of documentation, program listings, output or other information and records

2) escorting visitors at all times. Visitors include business employees who are not members of the department and computer customer engineers providing necessary maintenance

3) involving all department personnel in access control. Effective security procedures require continuous observation and the cooperation of all employees and

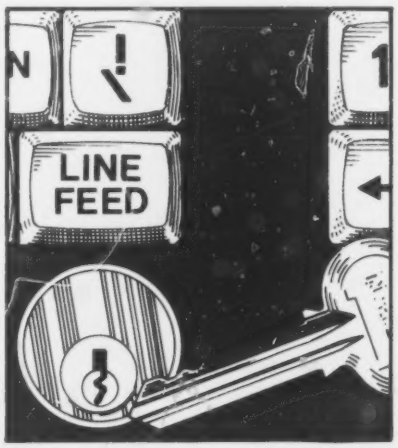
4) making spot inspections to discourage removal of resources without written authorization to do so. Briefcases and other bags and packages have little reason to be near operations.

II. Segregation and rotation of duties . . .

The computer department must be an independent organizational entity. It must be completely independent of all departments or units for which it processes information. Department personnel should be prohibited from having authority, responsibilities and duties in any other department.

Within the computer department, functions that should be performed by different individuals are

- data conversion/entry
- job scheduling
- job setup
- applications design
- applications programming
- maintenance programming
- systems programming and
- program testing.



As with the separation of duties and responsibilities for administrative and internal control, the segregation of duties in the computer department must be designed to ensure that no one person can commit fraud alone. Also, it is recommended that duties be rotated on a random basis so that programmers do not always work on the same programs, operators do not always run the same jobs, and data conversion/entry personnel do not always work on the same transactions.

III. Library security . . .

The computer department is the repository for tapes and disks, the source and object code program files, master copies of all software, all software documentation, and the operating instructions and manuals. In order to be secure the library must be physically separated from the other functions performed by the computer department.

Physical access controls, discussed earlier, should be employed to prevent unauthorized access. The list of people or organizations who would be interested in the information stored in the data files is limitless. Data files, including files containing sensitive and confidential information, can be

copied or printed and then be sold to your competitors, to companies contemplating entering your line of business, to investors, to credit bureaus, to direct mail outfits, or to people interested in defrauding you.

Library security and controls should

1) require all tapes, disks and documentation to be stored in the library when not in use

2) maintain a library log of all tapes, disks and documentation removed from and returned to the library

3) review the library log on a regular basis

4) maintain an up-to-date inventory list of all data, program and system files

5) conduct regular and surprise inspections of the libraries

6) store critical data and program files and their documentation in locked vaults or safes

7) erase confidential information on tapes and disks before they are sent out for recertification and for cleaning and

8) document library procedures.

IV. Operations controls . . .

The main console logs should provide a printed record of all jobs processed, all operator activities and anything done to the system. Because the logs provide a tremendous amount of information, they should be protected against alteration or manipulation. Preprinted sequential page numbers should be used for console logs. Each entry on the log should be sequentially numbered. Every program run—scheduled or unscheduled—and the actual run time for each program should be recorded. Every file processed—authorized or unauthorized, proper or improper—should be identified. Every operator intervention, including overrides and halts, should be logged.

The console logs should be reviewed by appropriate and responsible supervisory or managerial personnel at the end of each shift or once a day. The review is to make sure that no pages are missing, that no entries are missing and that there are no unexplained time gaps. Also, improper operating procedures, suspicious reruns and unusually long run times should be explained.

Other operations controls should

- prohibit anyone other than the operators from operating the computer equipment
- prohibit anyone other than the operators and operations personnel from having access to the computer room
- account for all computer time
- prohibit program modifications
- destroy carbon paper from output containing sensitive or confidential information and
- make use of system performance measurement aids.

V. Supplies controls . . .

Because the blank and preprinted output forms and input media are resources of the computer department, they require protection. Someone should account for the use of floppy disks, punched cards, paper tape, blank output forms, preprinted forms, multipart output forms, console paper and all other input and output media. The actual use of input and output media should be reconciled with the planned use. Significant variances should be investigated. Checks and other official or important forms should be stored in vaults or safes.

VI. Password security . . .

In an on-line computer system the need for security procedures has been well recognized. The most common procedure is typically the use of an identification code, combined with a pre-set authorization code, that enables legitimate access to protected resources. The simple password scheme is very easy to use; the user just types the password. It is also inexpensive to implement. The user can himself or herself choose the password, but care must be taken not to choose a password that is too obvious.

If the legitimate user chooses a less obvious password, it will be easier to forget, and he or she may find it necessary to write the password down. This procedure must be discouraged. Management should supply the password in the event of a memory lapse.

The greater the length of the password, the more secure the system will be, since more effort will be required to break the password. The "expected safe time" is half the product of the number of passwords and the time required to try each password in a sequence of guesses. For example, a six-letter password transmitting at 600 characters per minute can take 30,891,578 seconds to break. That is just less than one year. If an automatic 10-second delay is introduced after unsuccessful attempts, the break time increases by a factor of six to approximately six years. Also, the longer the same password is used, the more likely it is to be broken. So passwords should be changed fairly often in order to be most effective.

The two words to remember here are log and delay. All access attempts that are denied should always log the pertinent information. In addition, a delay must be introduced. During this delay, new attempts to access system resources from the same source are ignored. Without these safeguards another computer system could generate more than 1,000 passwords per second and could break a four-letter password in less than eight minutes.

VII. Backup and recovery . . .

This topic deserves a full-length discussion all its own. Businesses that are computerized, a little or a lot, cannot afford to lose their sales figures, asset schedules, accounts receivable, accounts payable, expense amounts and other accounting data and still operate efficiently. Backup is critical to protect your data files, programs and documentation should there be malicious or accidental destruction. Even if backup media (usually tape) is one-day or one-week old and stored off-site, this is a starting point for reconstruction.

Regardless of the circumstances involved, this central operating procedure should be done within a pre-set schedule.

VIII. Peace of mind . . .

There are numerous other controls and procedures that can be implemented that will provide businesses with peace-of-mind assurance that fraud will not occur. Although the federal government is developing laws that would make it a federal crime to access records without authorization, businesses should take the time to protect their resources. According to a recent study, most computer fraud is not a result of sophisticated techniques. Rather it occurs because there are weaknesses in the system of internal controls. ❑

Practical Suggestions

illustration by Dan Sherbo

For Tighter Security

Richard P. Fisher
IntelliSearch Corporation
Middlebury, Vt.

Consider this fairly common scenario. One of your waiters places an order for one entree on a tab but gets two dinners from the cook. He charges the customer for two, pays the cashier for the one listed and splits the profits of the other dinner with the pick-up window employee.

Or perhaps your best bartender starts bringing his own bottle to work. He pours the standard number of drinks from it and pockets the payments from customers. Your inventory checks out, so how can you tell?

If you have problems such as these going on right under your nose, you've got a control problem, and you aren't alone! Many foodservice employees collude to defraud customers and management and then split the stolen profits. Many of these collaborators believe theft from their employers is a legitimate battle of wits—the winner is entitled to take whatever he/she can get. Some employees are not so generous; they want everything for themselves.

Several other factors peculiar to the industry contribute to security vulnerabilities in the restaurant business.

(1) Management often doesn't have adequate time to thoroughly screen its new job applicants. If they look clean, their application is filled out properly, and they can start immediately, they get the job.

(2) Restaurant employees, on the whole, tend to be transient, a condition that brings little or no loyalty toward the establishment or its management. This is particularly true in resort or large metropolitan areas. They come and go—oftentimes well before they are ever suspected or discovered.

(3) Customers who suspect in-house rip-offs generally walk away in silence, taking their future patronage and a lost chance to alert management. They just don't want to get involved, yet respect the restaurant less when they leave. A bad reputation can ruin months (and even years) of effective advertising and public relations.

(4) Absentee owners, by necessity, place greater responsibility in the hands of hired managers. Unfortunately, managers are not always screened. After all, who should question someone who worked five years for a well-known national operation? Yet, the real reasons for a person's termination may very well be something totally different than what was indicated on the application.

Thorough screening . . .

Even though it takes more time, it really does pay to carefully scrutinize the backgrounds and attitudes of prospective employees. A hired manager, for example, often has virtual carte blanche with the combined assets of a corporation. If his integrity is not beyond reproach, the owner is purchasing trouble.

A thorough background check re-

quires contacting previous employers to determine why an applicant left an earlier job. It requires shrewdness and tenacity because often a business that terminates a suspect employee declines to express suspicions without actual proof. Always speak with the immediate supervisor when possible. Listen to what they *won't* tell you! Ask if they'd hire him back. That alone should tell you a lot.

It is also prudent to check character references, either in person or on the phone, and also educational and/or military records if they exist. Look for jumps in reported employment. Beware of the tremendous proliferation of application fraud today at all levels.

Your application form should be a weighted one. This is a systematic method for determining which personal history traits and variables on the application have an apparent correlation to such factors as the applicant's tenure, discipline and job performance. Beware of the applicant who repeatedly quits for "personal reasons."

An application blank need not be custom designed for a particular job within your facility. Specific variables do need to be identified which might have predictive value in your particular situation. These might include educational level, history of being fired, reasons for being fired, duration of unemployment and admissions about alcohol and drug use.

Remember the law protects the applicant so you can only ask for convictions, not arrests. Why not phrase your question another way: "Tell me about the most serious trouble you've had with the law." You'd be truly amazed at the responses you'll get.

Polygraph and/or Stanton Survey . . .

As part of your pre-employment screening process, it is another good idea to use a polygraph test, where admissible, or a basic paper and pencil honesty test, such as The Stanton Survey. If resources are limited, tests for critical positions such as bartenders, cashiers and managers, are a must. Whereas a polygraph exam verifies a person's truthfulness and past employment history, the Stanton measures attitudes toward honesty and a person's potential to steal in the future. This is particularly important when the majority of your work force is very young. Both tests set the stage for strong psychological deterrence

What Patrons Pick to Pocket

by Carole Sugarman

In 1976, Clyde's restaurant in Washington, DC, had to replace 17,000 ashtrays. At $1.06 an ashtray, that's more than $18,000 worth of glass. By and large they didn't break, figured Clyde's. When the restaurant switched to cheaper ashtrays, the disappearances were cut in half.

They'd been stolen.

Most restaurant thieves are not slithery burglars in black leather gloves nor are they kleptomaniacs driven to taking unwatched creamers. They are souvenir hunters, young people, grown people and often well-to-do people. Whatever their profiles, though, they have one common trait: They usually get away with it—and sometimes with a lot of it. "People will steal anything and everything they can get out the door," said a manager from Alexandria's Fish Market in Alexandria, VA.

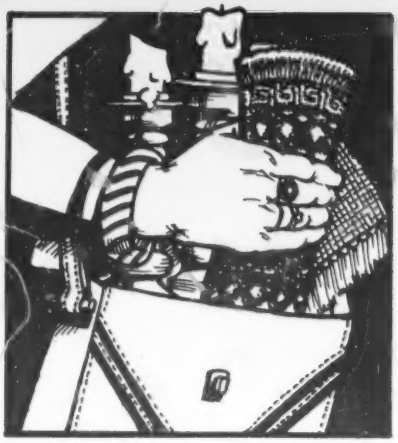
The restaurateur often does not notice the theft until after the patron leaves; or if a patron pays for a $100 dinner with an American Express Gold Card and then sneaks off with a salt shaker, the manager usually decides it's not worth the hassle or confrontation. In other cases, the restaurateur will let a thief slide because the ashtray that lands on a coffee table in Cleveland may be good advertising for him.

While all restaurants are potential targets, some are more obvious than others, depending on the renown of the table accessories (32-ounce beer schooners), the ease in stealing them (silver demitasse spoons) or the need (condiments and salt and pepper shakers).

Size does not deter the restaurant thief, either. A 3-by-5 foot Oriental rug was rolled out of one restaurant a few years ago. Every summer, another restaurant loses about a half dozen chairs from its outdoor patio. And at a third restaurant, an 8-foot rubber plant disappeared shortly after the restaurant opened.

Mug shots of spoon stealers do not hang in restaurant vestibules, but according to William Jepsen, assistant general counsel of the DC police department, an individual caught stealing from a restaurant could be charged with "theft in the second degree" and, if convicted, could land in jail for a maximum of one year or made to pay a maximum fine of $1,000—or both. That's if the goods lifted are worth less than $250. If the heist is hefty (for example, a table setting of Lenox china—worth more than $250) the penalty is a maximum fine of $5,000 or 10 years maximum imprisonment or both.

Landing behind bars for pocketing



and are the best and cheapest insurance policy you can buy.

Because many states prohibit by law the use of lie detector equipment as a condition of employment or continued employment, check on local legal restrictions before considering use of such an examination within your company.

The reliability of the polygraph rests almost entirely upon the qualifications, training and experience of the operator or the examiner. Check references of your proposed contract agency or examiner before proceeding. The PSE (Psychological Stress Evaluator) is another device which is considerably less reliable and one I do not recommend.

The Stanton Survey, a written test, has the advantages of low cost and ease of administration. Unlike other traditional methods of screening, it measures attitudes toward honesty and also deals with the applicant's attitudes regarding dishonesty. This is extremely important because it is not unusual to find an applicant who has never engaged in a major dishonest act solely because the opportunity has never arisen.

When used in conjunction with the structured security interview, paper and pencil testing like the Stanton is extremely effective. It is also valuable in eliminating the vast majority of applicants who could be screened out prior to polygraph testing. You save the higher fee for an unfavorable polygraph examination and subject the person to less stress.

Programs such as these send an unmistakable message to your employees that dishonesty will not be tolerated. A company's degree of security is measured by the degree of respect its employees hold for the company, its products and its property. The degree of employee honesty that you want determines the amount of security you will need. When there are no

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a sugar bowl is unlikely, however. Dimitri Mallios, a Washington attorney whose clients are primarily restaurateurs, said he doesn't know of any restaurants that have prosecuted patrons for stealing. "Most restaurants don't even prosecute people who run out on a check," said Mallios.

A restaurateur who catches a thief with more than a sugar bowl may feel differently, though. Pat Haley, co-owner of Gary's restaurant in Washington, DC, said that if he had spotted the person who stole an Oriental rug from the restaurant's ladies room, "I would prosecute her. When they're taking something of real value, then we have to do it.

"In rare cases, restaurateurs will call the police," said Lt. Steven Mairoca of the Second District, a 20-year veteran of the DC police department. But by the time the police show up, the patrons will have "discarded the property they were accused of taking," he said. Usually, said Mairoca, restaurateurs would rather handle the issue themselves. They "don't want the publicity," he explained.

Confronting a suspect may not be an easy task for a restaurateur. Some break the news to thieves with "something peaceful," like "You're welcome to buy the penguin vase, but you can't take it with you." Other restaurateurs get right to the point because they don't believe they have to be diplomatic.

Getting caught in the act can elicit either of two reactions from a restaurant thief: embarrassment or offense. At Clyde's in Tyson's Corner, VA, a group of 10 people decided "they were going to take half their table with them," about $200 worth of goods, said Robert Daniels, former manager.

One man who had a tablecloth hanging out of his coat became very irate, said Daniels, when he confronted him. His party had spent $400 there on food, retorted the diner.

Restaurateurs can retaliate against patrons in more subtle ways. At Chez Froggy in Arlington, VA., owner Pierre Desplechin once added $5 onto a woman's credit card bill. "What's the extra charge?" she called and asked him when she received her monthly statement. "For the place mats and flowerpots you stole," he answered.

The most common carrier of stolen goods, agreed restaurateurs interviewed, is the pocketbook. But there are other modus operandi. As a woman was walking toward the ladies' room in the former Rive Gauche in Washington, DC, a silver ramassemiettes (the scraper used to remove crumbs from the table) fell out of her blouse—right in front of the maitre d', reported Chef Michel Laudier. A Washingtonian dining in New York noticed his host strapping a pepper mill in an umbrella. Even though it was raining outside, "the umbrella was kept closed for about two blocks," he said.

For some restaurateurs, it can turn into a battle of wits. The operator thinks of deterrents, and the thief tries to outdo him. at Tiberio in Washington, DC, for example, the Chanel No. 5 in the ladies' room sits on the counter without its top, making it difficult to pocket. Even so, women have crumpled paper towels, stopped it up and taken the bottle away.

Why, then, do people who would never think of stealing from a store suddenly become restaurant Robin Hoods? Some restaurateurs concluded that patrons think there's nothing wrong with it; diners see the restaurant as a rich enterprise that won't miss the ashtrays, or they feel that since they paid a lot of money for dinner, they're somehow entitled to the coffee cup.

According to speculation by Dr. Ralph Wittenberg, a psychiatrist who heads the public information committee of the Washington Psychiatric Society, the restaurant thief derives "very intense unconscious gratification" from the act. "It represents something special, like you've had a piece of the rock," said Wittenberg.

Editor's Note: This article has been excerpted from the May 22, 1983 issue of *The Washington Post*.
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deterrents or systems to prevent dishonesty, the employees invariably will get a message that it's O.K. to steal. It's almost human nature to try to get away with something.

Strong management with positive controls and safeguards must constantly exert pressures in order to induce the desired degree of employee honesty by presenting active deterrents to theft. By convincing your employees from the start (in the initial interview process) that they can't steal without getting caught, you are ensuring they don't even try.

Periodic use of polygraph testing . . .

Just because an employee has worked for you for a long time doesn't mean you can necessarily trust him or her. Our years of investigative experience tell us that the long-term employee knows your operation better than most others, and he knows your weak spots as well. Often, he feels he is justified in stealing from you. He may believe that your company has not paid him what he is worth, has not given him enough promotions or has overlooked him in various other ways. He also might feel that business is good enough to withstand his "insignificant" stealing. He really doesn't believe he is hurting you by taking a "few pieces of worthless food scraps" or a drink or two at the end of his shift.

Undercover investigations . . .

While somewhat controversial in many professional circles, undercover programs can prove extremely beneficial and vital to the intelligence function of your business if they are conducted carefully and professionally. The real value and contribution that they make to your company lies in the losses they have prevented or reduced. If you use undercover investigations to gain the knowledge you need to reduce and prevent these losses, the expenses you incur will always be well worth it.

If you decide to employ an outside contract agency for undercover investigations, make sure your expectations for that company and for the job their agents will perform are realistic. Don't look at an undercover operation as a witch hunt to single out a few dishonest employees. Expand the scope of your investigations until you get a clear overview of your whole operation and look at how interrelationships affect the shrinkage or loss of your company's property and goods.

You can place professional undercover investigators on staff for any period ranging from weeks to months. These outside people will perform a normal function, such as cooking, tending bar or waiting tables, but will also serve as confidential eyes and ears for management. By tapping underground currents of gossip, an agent can inform management who is coming to work drunk, who is punching false hours on a colleague's time card, who is trying to peddle drugs to customers and more.

Typically, an operation of 20 or more employees is vulnerable to both real and potential losses and is, therefore, a good candidate for undercover operations. A capable, realistic manager must realize that theft is pervasive and take rational steps to create a climate that doesn't encourage it.

Before you select the undercover agency, interview the agent who will be working on your behalf. Also request that he or she be polygraphed if it is legal in your state. You and only you should make the ultimate decision about the agent's suitability for your facility. Don't deal in blind faith.

Put into writing such things as rates, salary and other expenses relevant to the case. Allow the agency you're dealing with some flexibility to increase living expenses and to pay special incentives. Do not sign a contract or agreement for any specific length of time. You can be assured that reputable agencies do not extend beyond the necessary time to crack a case.

Ask for a complete detailed summary when the case is finished. And never reveal your agent's identity unless absolutely necessary and with complete agency concurrence.

Fidelity bonds . . .

One other prudent idea to consider is a fidelity bond on your employees. The psychological deterrent is tremendous. There are many types of bonds; review them periodically with your insurance agent. With the proper type of bond and adequate evidence, you stand a good chance of making your company whole again from any documented losses. Without a bond, complete or substantial financial recovery is generally out of the question. Remember, restitution just isn't always enough.

When an employee leaves . . .

The exit interview is an excellent source of information about your entire operation. Employees on their way out are much more likely to talk about things they saw that bothered or puzzled them than when they were still on the job. It is best not to let an immediate supervisor do the interviewing. The important thing is to make exit interviews a routine procedure within your operation. They cost nothing except time and, as with almost all situations, disgruntled or angry employees can be very outspoken at the last minute.

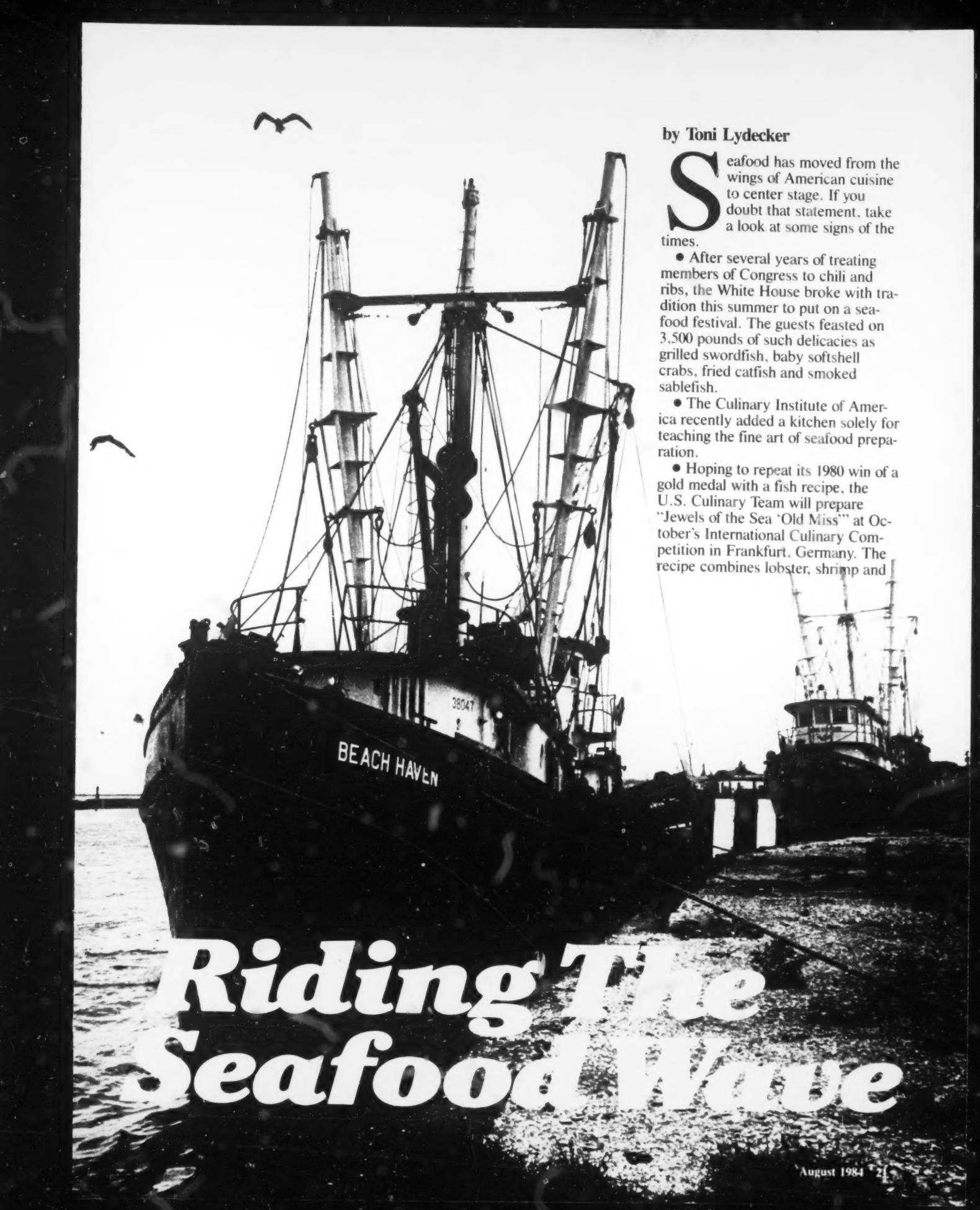
The exit interview or interrogation is also a necessary part to the successful conclusion of an undercover case. If you are not experienced at this, hire a skilled interrogator. The interrogator may even recover some losses.

Prevention: the key to reducing or eliminating loss . . .

Prevention is always the prime key to controlling losses and thefts in your operations. Effective loss prevention requires a serious commitment from your top management down to your supervisors.

If you suspect that your employees are stealing from you, be sure to check your accounting methods and internal control procedures before you accuse anyone. A large inventory shrinkage does not necessarily mean a theft has occurred. But if you discover that there are thieves employed by your company, remember that adequate security or effective loss prevention means using psychology, instituting deterrents and controls, educating employees and implementing applicable components into a fully integrated loss prevention environment. Above all, it means having qualified and timely information about your employees and their activities at all times.

You are never going to completely stop people from stealing on your premises. But if you can stop the day-to-day, systematic theft which already exists, you have accomplished a great deal and have given your food operation a better chance to survive and progress profitably. ❑



Riding The Seafood Wave

by Toni Lydecker

Seafood has moved from the wings of American cuisine to center stage. If you doubt that statement, take a look at some signs of the times.

- After several years of treating members of Congress to chili and ribs, the White House broke with tradition this summer to put on a seafood festival. The guests feasted on 3,500 pounds of such delicacies as grilled swordfish, baby softshell crabs, fried catfish and smoked sablefish.
- The Culinary Institute of America recently added a kitchen solely for teaching the fine art of seafood preparation.
- Hoping to repeat its 1980 win of a gold medal with a fish recipe, the U.S. Culinary Team will prepare "Jewels of the Sea 'Old Miss'" at October's International Culinary Competition in Frankfurt, Germany. The recipe combines lobster, shrimp and

Fresh seafood: move it or lose it

Demand for fresh seafood has risen steadily over the past five or six years throughout the country, according to Lee Weddig of the National Fisheries Institute. He gives much of the credit for the correspondingly greater supply to the wide-bodied jets that carry domestic catches all over the country and bring in seafood quickly from such remote fish-producing areas as Norway, New Zealand and the Bering Sea.

Although most people prefer the taste and texture of fresh seafood, a traditional argument for freezing it has been to "even out" the life cycle of species that are more abundant some times of the year than others. But now modern technology is beginning to eliminate that argument, as fishing becomes an industry based as much on farming as on hunting—from catfish to crayfish, seafood is being raised under controlled conditions for a national market. The Norwegians have even found a way to raise salmon from egg to table size, making that most seasonal of fish a year-round commodity.

Buying really fresh seafood is not as easy as it sounds, however. Despite the shelf life of 14 days cited by the National Fisheries Institute for most fish and shellfish, many restaurateurs place their own limit at seven days or less. Seasoned buyers caution that even locally caught seafood may be several days old by the time it reaches the restaurant, if the boat of origin was one that goes out for week-long stints. They advise seeking a reliable purveyor, inspecting the seafood critically and trying to buy some fish whole (both for the greater ease of checking for freshness and because the skin of the fish provides an extra barrier against bacteria). And whenever possible, it is best to buy for freshness and quality rather than for the menu. At Chez Panisse in Berkeley, CA, the kitchen staff often doesn't know what seafood will be served that day until it arrives; the menu mentions only "shellfish of the day" or "fish of the day" rather than specific items.

Once in the restaurant, seafood should be prepared and served promptly, but what if it turns out to be a slow day? One solution to the problem of ordering enough but not too much is the restaurant/fish market duo. Often found on the coasts, this combination is beginning to catch on in other parts of the country, too.

When Harry Whelden opened the Maine Lobster in Sioux Falls, SD, it was tough going at first. "We were trying to sell wine and fish in a beer and beef town," he remembers. Pairing a fish market and restaurant helped—people discovered the restaurant when they came in to buy fish, while the restaurant customers were reassured by the quality of the seafood on display in the market. The combination is important economically as well. To enable his operation to live up to its name, Whelden air freights live lobsters from Maine, an expensive proposition that he makes worth his while by buying both for the market and the restaurant. He boosts the volume still more by wholesaling lobsters to grocery chains and other restaurants.

Because Washington, DC, is close to the coast, buying in volume is not so important for The Fishery, another fish market/restaurant combo. Still the fish market and restaurant managers do coordinate their buying of fish to some extent; when one winds up with too much of an item, it can be passed on to the other while still fresh rather than being discarded. Many restaurant customers like to drop in at the market after eating to pick up seafood for the following day. As a service, the restaurant will sell them fresh seafood to take home after the market closes for the day.

crabmeat with a seafood "sausage" or quenelle and a mustard/butter sauce.

- The idea of redfish blackened in a white-hot iron skillet has helped bring fame to Paul Prudhomme, the New Orleans, LA, chef and restaurateur. Now the appearance in gourmet and kitchenware shops of a packaged spice mix for the dish—containing Prudhomme's characteristic blend of red, black and white peppers—unveils the fascinating spectacle of a small industry growing up around a single recipe.

They tried it, they like it . . .

Seafood's well-established popularity means that restaurants no longer need to wheedle customers into ordering it. Instead, they can focus on creative ideas for the selection, preparation and presentation of fish and shellfish. "We have moved past the era where people were acquiring a taste for fish. It's obvious that they like it, and it's up to chefs to keep them interested. We now have the opportunity to develop sauces that enhance the flavor of seafood rather than masking it," says Anthony Seta, director of foods, Mother's Restaurants Limited in Burlington, Ontario, and one of 15 American Certified Master Chefs.

"Customers are discovering that fish can be cooked in interesting ways, not just broiled or fried," adds Eugene Fracchia, owner of Pesca, a seafood restaurant in New York City. "It's no longer something you hold your nose and eat just because it's good for you."

This more adventurous spirit has led to a broadened spectrum of seafood from which chefs can select. Customers are willing to try odd-sounding species, such as sand dab or Hawaiian fish with melodious names like opaka opaka and mahi mahi. White, bland-tasting fish are no longer the automatic favorites, as fish with a more assertive flavor or darker color come into their own; examples are shark, tuna, swordfish and bluefish.

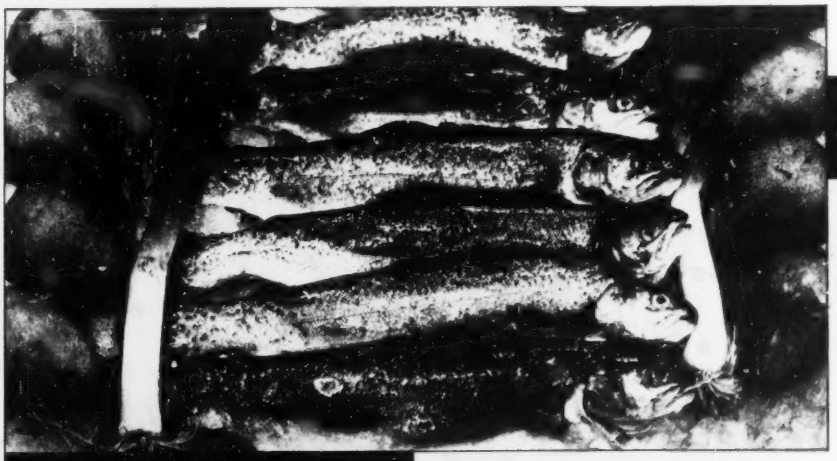
More restaurants are buying exotic European seafood, according to Peter Redmayne, editor of the industry magazine *Seafood Leader*, published in Seattle, WA. Their choices might include tiger shrimp from Italy or rouget, a European red mullet. As Redmayne points out, "European fish are relatively expensive—filleted.

they might cost $10 a pound. But the quality is excellent, and with the dollar so strong, restaurants are finding it makes sense to include them on the menu."

A more open-minded attitude toward varieties of seafood can result in interesting menu items at lower cost. The price of king crab has shot sky high as its availability has dwindled, and many restaurant customers are, instead, dining happily on snow crab and softshells. Less expensive than the better-known red snapper, tilefish and grouper are part of the same family and offer just as much versatility in preparation. Also picking up in popularity are mussels and squid, which adapt well to many different preparations. "They're cheaper than the rolls and butter—even when you charge less, there's a hell of a profit margin," comments one restaurant manager.

Grilled, smoked or raw? . . .

Grilled-seafood restaurants seem to be nearly as common as pizza parlors on the West Coast, and they're starting to proliferate in the rest of the country as well. Not all are the same, however. Although mesquite continues to win devotees, some critics say the searingly hot, pungent smoke it generates can overwhelm the delicate flavor of seafood. A few restaurants are turning instead to kaiwe, an exotic Hawaiian wood, reports Editor Peter Redmayne. San Francisco's Santa Fe Bar and Grill sticks to mes-



Seafood buckwheat blinis with poached salmon and sea scallops

For the blini batter
1 cake fresh yeast (2 oz.) or 2 pkgs. dried yeast (¼ oz.)
2 cups scalded milk, cooled to body temperature
1 T. sugar
1½ cup sifted, all-purpose flour
½ cup buckwheat flour
3 eggs, separated
1 T. melted butter
1 t. salt

Dissolve yeast in scalded milk. Stir in sugar, 1 cup all-purpose flour and the buckwheat flour. Cover and set in a warm, draft-free place until light and spongy (1 to 1½ hours).

Beat the egg yolks lightly. Add melted butter, the rest of the flour and salt. Beat until smooth. Cover again and let rise until doubled in bulk.

Whip the egg whites until stiff. Fold into the batter and keep warm.

For the salmon, sea scallop sauce
12 oz. to 1 lb. salmon fillet, cut into small pieces
½ lb. fresh sea scallops
¼ cup minced shallots
1 cup sliced shitake mushrooms
2 cups heavy cream or creme fraiche
½ cup butter

Melt the butter over medium high heat, and sweat the shallots. Raise the heat slightly and add the mushrooms, extruding as much liquid as possible. Reduce the heat and add the cream or creme fraiche. Reduce slightly by one-fourth. Add the salmon and sea scallops; poach gently. Taste for seasoning. Add salt and white pepper.

Grease a skillet or griddle. Heat on medium-high flame and cook the blinis in small batches, keeping them warm as they are cooked. Arrange on individual platters and ladle the salmon and scallop sauce over each portion. Garnish with salmon roe, if desired.

—Compliments of Pesca, New York, NY

Rainbow trout stuffed with pears, leeks and scallops
(yield: 6 servings)

For the stuffed trout
3 pears (Anjou are nice)
1 leek (white part only)
Clarified butter
3 T. dry vermouth
6 boned rainbow or brook trout (12 oz. each)
Flour
6 oz. bay scallops
Fish stock

For the lemon/chive beurre blanc
8 lemons, juiced
½ T. shallots, chopped
2 T. dry vermouth
8 oz. unsalted, cold butter
1 bunch chives, chopped

Cut pears and leek in medium dice, and saute in clarified butter until soft and opaque. Add vermouth, simmer briefly and remove the mixture to another dish to cool.

Dredge trout in flour. Stuff each one with pear/leek mixture and 1 oz. of scallops. Heat clarified butter in saute pan or sizzler, and cook trout until lightly browned on each side. Add fish stock, and bake in a 400° oven until done (about 10-12 minutes).

While the fish is cooking, reduce lemon juice, shallots and vermouth on high heat until almost dry. Add butter a nugget at a time, whisking constantly until the sauce reaches an emulsified state. Spoon sauce to the side of the fish, and sprinkle chives over it just before serving.

—Compliments of The Fishery, Washington, DC.

quite, but adds a new element by mixing in cabernet grapevine cuttings. Often the marinade used before grilling seafood or the sauce served alongside can set a restaurant apart from the crowd; it might become known for the beurre rouge, made with a certain red wine or for butters or homemade mayonnaises made with fresh herbs.

Served as an appetizer or part of a buffet, smoked seafood is going over in a big way. The standard repertory is expanding to include smoked versions of shrimp and scallops in addition to the more common mackerel, trout and sturgeon. Chefs can create subtle variations in flavor through the choice of wood (such as cherry and apple) and the method of smoking (hot or cold). Robert Kincaid of the Harvest Restaurant in Cambridge, MA, describes one new American technique—the seafood is brined, then hot-smoked briefly in a wok over smoldering wood chips, pine needles, orange peel, bark or tea leaves.

The "ceviche of tiny sea scallops with blueberries" on a recent menu of the Inn at Little Washington in Washington, VA, illustrates two growing trends: pairing seafood with fruit and serving it raw or "cooked" in an acid, such as lime juice.

Nouvelle seafood . . .

Many of the new seafood preparations fall into the category of what writer Craig Claiborne has dubbed "American nouvelle cuisine."

Indeed, the combination of American ingredients with one or more nouvelle cuisine techniques is admirably suited to fish cookery. Sauces that rely less for their thickening properties on butter, cream and flour, and more on vegetable purees and stock reductions, seem more in harmony with the delicacy of seafood. A sauce served under or to the side of a fish fillet, instead of on top, displays its pale, closely textured flesh to full advantage. Nouvelle cuisine's preoccupation with the visual appeal of the plate is also evident in current seafood preparation, although in the American idiom it usually takes the form of a concern for balancing colors and textures to achieve an attractive but casual effect, rather than for creating rigidly geometrical arrangements of food.

A brilliant example of American nouvelle is Anthony Seta's preparation of mako shark, his entry for the master chef competition. He quickly sautes slices and scallops of the fish, then wraps them in poached Boston lettuce leaves. The pale green envelopes rest on a golden fish veloute sauce, lightened with creme fraiche and tinted with saffron. Seta scatters a julienne of lightly cooked leeks, celery and carrots over the fish and garnishes it with poached shrimp and mussels.

Classic technique with an original twist also characterizes the seafood and sauces prepared by Odette Bery, founder of a cooking school and owner of Another Season Restaurant in Boston, MA. With West Coast salmon comes a fish fumet sauce flavored with orange and Madeira and enriched with creme fraiche; a tomato/tarragon beurre blanc accompanies the sauteed softshell crabs; customers dip their poached shrimp in pesto and their mussels in a saffron/garlic mayonnaise.

photography by Karen Ruckman

Fishing for offbeat recipes . . .

Some restaurants that offer exciting seafood dishes have little in common but their spirit of adventure in seeking new techniques and ingredient combinations. One of these is New York City's Pesca, whose menu is as eclectic as the city itself. "An Italian would faint if he saw our carpaccio," says owner Eugene Fracchia. For the classic Italian appetizer made with thin slices of uncooked beef fillet, the Pesca version substitutes raw tuna—something customers might more reasonably expect to encounter in a sushi bar.

Catering to its customers' craze for softshell crabs, the restaurant recently ran a festival three nights a week. Deep-fried softshell crabs may seem like old hat, but not when the batter contains sesame seeds, cilantro and cayenne pepper. A softshell fancier also could order a sauteed crab on a buttermilk/tarragon biscuit, served with a Creole-style mayonnaise made of red and yellow bell peppers, or a softshell crab pizza.

Another offbeat menu item is buckwheat blini with salmon, scallops and shitake mushrooms (see recipe). Particularly pretty are the seafood lasagne, in which alternating layers of spinach and tomato noodles are interspersed with sole fillets, shrimp, scallops, garlic and rosemary, all of it bound with a bechamel sauce.

Starting out as a traditional Eastern Shore-style restaurant, The Fishery in Washington, DC, soon found that customers were not breaking down its doors for the crab imperial, fried scallops and crabcakes. Business picked up only after "new American-style recipes were added to the menu," according to Chef/General Manager Dewey Dematatis. One such appetizer is Oysters Alec, named after Sous-Chef Alec Abt. The oysters are flamed in cognac, then covered with a heavy cream reduction sauce that includes shallots and garlic, and finally topped with red lumpfish caviar.

The restaurant's signature dish is rainbow trout boned and stuffed with sauteed pears, leeks and sea scallops, and sauced with a lemon and chive beurre blanc (see recipe). "We like the way the sweetness of the fruit and leeks contrasts with the tartness of the sauce," says Dematatis.

Because the Yellow Brick Bank in Shepherdstown, WV, has a reputation for serving good seafood, customers are not afraid to try dishes they've never heard of, according to Assistant Chef Rick Bishop. Rather than offering the Chesapeake Bay oysters native to the area, for example, the restaurant brings in Belon oysters from Maine. They have such a full, briny flavor that, as owner Kevin Connell puts it, "drinking the juice is like going for a swim in the ocean."

Another interesting appetizer is scallops served on the half shell; often the reddish roe are included, a practice common in Europe but rare in this country until recently.

Most people have never encountered skatewing, either, until they arrive at the Yellow Brick Bank. A delicate fish similar to stingray, it is sauteed with slices of underripe avocado and red bell peppers, then simmered in white wine. Another menu item, sauteed cod cheeks with monkfish tail, sounds like the trimmings from someone else's dinner, until Connell explains that the cheeks are the choicest part of the cod and the monkfish's tail is its only edible portion.

Serve it simply . . .

Many restaurants are beginning to turn thumbs down on fussy garnishes and intricate arrangements of seafood, often for practical as well as aesthetic reasons. "By the time a plate is arranged in some elaborate way, the food is usually lukewarm. The less manipulated the food is, the better off the customer," says Pesca's Eugene Fracchia. At the Yellow Brick Bank, every fish plate is finished with a half lemon wrapped in yellow gauze. But Kevin Connell emphasizes that it is intended as a flavoring agent, not a garnish; he believes that the paper-thin slice of lemon should be banished from the seafood plate.

Ideally, the seafood itself is the chief decorative element—a fish properly marked by the grill, for example, is not only beautiful but gives mute evidence that it was cooked skillfully. "I'm not heavily into garnishes. The important thing is that the fish be perfectly cooked and arranged well on the plate," says Odette Bery of Another Season. Another restaurateur points out that two or three fillets cut at an angle look better than one big slab when displayed on a plate.

In assembling seafood, sauce, vegetables and garnishes, American chefs frequently use color composition as a basic organizing principle. In the shark recipe described earlier, Anthony Seta created subtle variations of pastel tones. Equally striking is the Yellow Brick Bank's presentation of a sole dish: The white fillet is seen against a backdrop of black bean sauce, while whole scallions and red pepper slices provide vivid accents. ❑

The National Restaurant Association's on-going consumer research activities reveal . . .

- As income increases, consumers eat away from home more frequently and spend a greater proportion of their food dollar on meals away from home.
- Restaurant promotions involving price reductions are the most popular.
- The majority of people make the decision to eat out while at home.
- Quality food and friendly service are the two most important attributes considered when choosing a restaurant.
- Restaurant patrons have high expectations concerning the cleanliness of the restaurant.
- Patrons also have very high expectations concerning the tastiness of the food and food served at the appropriate temperature.
- Italian food is the best known, most tried, most frequently ordered and most likely to be ordered again ethnic food in restaurants.
- Chinese and Mexican foods rank 2 and 3 as popular ethnic foods in restaurants.

1984 Foodservice Industry Pocket Factbook

1984 Sales: **$162.8 billion**
Units: **558,000**
Employees: **8 million**
Foodservice share of Food Dollar: **37.9%**

National Restaurant Association

CRITICAL LABOR-RELATED LEGAL ISSUES FACING FOODSERVICE EMPLOYERS

Prepared for the NRA Legal Department by Robert W. Hartland, Esq. Reed, Smith, Shaw & McLay; Pittsburgh, PA

This article is intended to set forth, in summary fashion, a brief description of some of the more critical labor-related legal issues that are currently facing restaurant and other foodservice employers.

A. Employee uniforms, dress codes and claims of sex discrimination

For years, restaurant owners have faced problems with government claims that employer-imposed dress requirements may produce minimum wage violations of the federal wage and hour laws. Now restaurant employers face new challenges to dress codes or uniform requirements on the grounds that the dress requirements do not apply equally to both sexes—that they are sex discriminatory in violation of Title VII of the Civil Rights Act of 1964 (prohibiting, *inter alia*, sex discrimination in employment) or similar state or local laws. Such challenges can come from the federal Equal Employment Opportunity Commission (EEOC), state or local fair employment practice agencies or employees themselves.

In a restaurant setting, this issue can surface in a number of different contexts. Cocktail waitresses may complain that their required attire is too revealing and subjects them to verbal abuse, sexual harassment and so forth. Waitresses may complain that they are not permitted to wear slacks or pants, like male employees. Male employees may claim sex discrimination if they are required to wear neckties and their female coworkers are not so obligated.

Courts that have faced this issue have taken differing approaches. One line of cases views employer dress codes as not materially different from "grooming codes" (i.e., policies against "long hair"). These courts tend to grant employers considerable leeway in promulgating and enforcing dress codes. For such courts to find illegality, they require a showing that the challenged dress requirement affected the employees' employment opportunities or their ability to work. Examples of this approach are *Fountain v. Safeway Stores, Inc.*, 13 FEP 25 (N.D. Calif. 1975) *aff'd* 555 F.2d 753 (9th Cir. 1977) (Not sex discrimination to require store clerk to wear necktie); *Blowers v. Lawyers Coop. Pub. Co.*, 25 FEP 1425 (W.D. N.Y. 1981) (Not sex discrimination to require that females wearing slacks also wear coordinated tunic top or jacket, even though requirements admittedly more detailed and restrictive for females than males); *Lanigan v. Bartlett and Co. Grain*, 466 F.Supp. 1388 (W.D. Mo. 1979).

In another line of cases, the courts have applied a "reasonableness" standard to the particular dress requirement in question and have found the dress requirement to be illegal in situations where the dress was "extreme in nature" (i.e., too sexually revealing, *EEOC v. Sage Realty Corp.*, 507 F.Supp. 599 (S.D. N.Y. 1981); *Marentette v. Michigan Host, Inc.*, 506 F.Supp. 909 (E.D. Mich., 1980)).

In other cases the dress requirement was struck down simply because it did not seem to make any business sense and lacked rationale [e.g., *Carrol v. Talman Federal Savings and Loan Assoc. of Chicago*, 604 F.2d 1028 (7th Cir. 1979) [Prima facie Title VII sex discrimination to require female tellers and managerial employees to wear a uniform while similarly situated male employees were required merely to wear normal business attire; *accord, EEOC v. Clayton Federal S & L Assoc.*, 25 FEP 84d (E.D. Mo. 1981)].

Potentially troublesome cases on the horizon in this area may involve efforts to apply a "disparate impact" analysis. For example, employers with a virtually all-female server staff with uniform requirements and an essentially all-male kitchen staff with no uniform requirement may face attacks based upon those facts alone. Similarly, "theme" restaurants may face increasing challenges to dress requirements connected with the restaurant "theme," unless the courts are persuaded to accept the notion that restaurants are selling a product that is related to entertainment and which, in certain circumstances, is not asexual.

In the meantime, restaurant and other foodservice industry employers should receive guidance in this area and develop sensible dress codes. Examples of basic operative rules:

1. Apply dress requirements to *jobs* (i.e., waiters/waitresses), not to employees by sex.
2. Develop dress requirements for more than one job; have re-

quirements for employees throughout the house even if they differ.

3. Enforce no dress requirement more stringent than necessary to achieve the desired result.
4. Examine any dress requirement to determine whether it really makes sense from a business standpoint (i.e., will it achieve the intended result?).

B. Pregnancy

The issue of a woman's pregnancy and an employer's, or prospective employer's, obligations in dealing with that pregnant person continues to be a source of confusion for employers. The law is developing in this area.

In a restaurant context, the typical questions are:

- Do I violate the law if I refuse to hire an obviously pregnant female job applicant to work as my hostess or as a waitress?
- Do I have to grant a pregnant employee a leave of absence to have her baby or can I simply terminate her?
- Do I have to grant her such a leave even if I don't grant such leaves to anyone, male or female, for other instances of physical disability?
- Can I force her to take a leave?
- How long can she stay on leave after having her baby?
- Upon her reinstatement, do I have to provide her with her same job?
- When she returns, do I treat her as a new employee or does she accumulate seniority while on leave?
- Can pregnancy be treated differently than other temporary disabilities under my sick leave, health or temporary disability insurance plans?
- If I have a health insurance plan for my employees' spouses and dependents, what are my obligations regarding the pregnancies of the wives of male employees?

The law in this area has undergone significant reversals in recent years. In the early 1970s the EEOC and courts generally held that maternity must be equated with temporary disability for purposes of sick leave or temporary disability benefits. In 1976, however, the United States Supreme Court held in *General Electric Co. v. Gilbert*, 429 U.S. 125 (1976) that it was *not* illegal sex discrimination for an employer to have a non-occupational and sickness benefit plan that excluded pregnancy from coverage. In October of 1978, Congress enacted an amendment to Title VII, known as the Pregnancy Discrimination Act, to reverse the Supreme Court's decision in *Gilbert*. The EEOC subsequently issued formal guidelines entitled "Employment policies relating to pregnancy and childbirth" 29 C.F.R. S1604.10 with an appendix containing 37 questions and answers interpreting the 1978 Pregnancy Discrimination Act. Since then, the courts have generally enforced these EEOC guidelines and interpretations.

Generally, the courts have held that it is illegal to deny a job to a female because of pregnancy unless the employer can establish that the applicant, because of the pregnant condition, is physically unable to perform the job. Similarly, a pregnant employee must be granted a leave of absence on the same terms and conditions as would be afforded if she had any other temporary disability. Indeed, even if the employer did not have a leave policy, but, rather, terminated employees who became disabled for any reason, the courts have held that, nonetheless, it would be illegal sex discrimination to apply such a policy to a pregnant female employee. *Holthaus v. Compton & Sons, Inc.*, 514 F.2d 651 (8th Cir. 1975); 29 C.F.R. S1604(c). Beyond this, mandatory maternity leaves of arbitrary duration, unrelated to the individual's actual ability to work, are unlawful. *Burwell v. Eastern Airlines*, 633 F.2d 361 (4th Cir. 1980); *Vuyanich v. Republic Nat'l Bank*, 505 F.Supp 224 (N.D. Tex. 1980).

Assuming the pregnant employee on leave had a good work record and that there were no overall job cutbacks that would have affected her position, the pregnant employee is entitled to post-leave reinstatement, without break in seniority. *EEOC v. Western Elec. Co.*, 28 FEP 1122 (M.D. N.C. 1982). *Nashville Gas Co. v. Satty*, 434 U.S. 136 (1977). The EEOC recognizes, however, that job continuation rules cannot be inflexible. If a female employee cannot be reinstated immediately, she may be given preferential consideration for future openings. EEOC Doc. No. 71-2309 (May 28, 1971).

Most recent judicial pronouncements have been in the area of an employer's obligations regarding pregnancies in situations where the employer provides a health insurance program that extends to the spouses and dependents of employees. First, must such a program include coverage of pregnancy-related expenses incurred by employees' wives? The recent answer is yes. *Newport News Shipbuilding and Dry Dock Co. v. EEOC*, 103 S. Ct. 2622 (1983). Second, must the coverage for the wives of male employees, where provided, be equivalent to that for female employees? The answer is apparently no. *Newport News Shipbuilding and Dry Dock Co. v. EEOC*, 103 S. Ct. 2622, 2631, footnote 25 (1983).

C. Sexual harassment

The topic of sexual harassment in the work place exploded upon the scene in the late 1970s.

In the foodservice industry the issue is presented in much the same context as in all other industries. While there are many possible variations, the typical case involves employee claims of being subjected to the sexual advances of a supervisor, fellow employee or, most recently, of customers or other non-employees.

The precise legal questions that are being presented to the courts are: 1) are such advances signs of "employment discrimination?" 2) to hold an employer liable, how much *employer* involvement must there be in the sense of knowledge, acquiescence or approval? do the standards differ depending upon whether the alleged harasser is a supervisor, fellow worker or non-employee? 3) to be actionable, need the employee prove that the alleged rejected sexual advances resulted in a discharge, denial of promotion, denied wage increase or the like or is it sufficient that the employee charge "psychological harm" flowing from an atmosphere of sexual harassment?

The initial cases decided in this area in the mid-1970s generally held that "sexual advances," however distasteful, were not examples of sex discrimination. In recent years these early cases, by and large, have been reversed, and today the near universal rule is that sexual harassment on the job is employment discrimination within the meaning of Title VII. *Tomkins v. Public Service Elec. & Gas Co.*, 568 F.2d 1044 (3d Cir. 1977); *Barnes v. Costle*, 561 F.2d 983 (D.C. Cir. 1977); *Garber v. Saxon Business*

Products, Inc., 552 F. 2d 1032 (4th Cir. 1977); *Miller v. Bank of America*, 600 F.2d 211 (9th Cir. 1979).

Moreover, recent cases reflect, in certain circuit courts, a much broader view of sexual harassment. Under certain recent cases, a complaining party need not prove a discharge, denial of promotion, denial of raise or other similar tangible consequence from rejecting a sexual advance in order to state a claim of sex discrimination. A cause of action can be stated on the grounds that the sexual advances created a hostile, intimidating or offensive working environment. *Bundy v. Jackson*, 641 F.2d 934 (D.C. Cir. 1981); *Henson v. City of Dundee*, 682 F.2d 897 (11th Cir. 1982); *Katz v. Dole*, 709 F.2d 251 (4th Cir. 1983).

On the question of how much employer involvement there must be in the sexual harrassment through knowledge, acquiescence and so forth before an employer can be held liable for the conduct of an employee, there is a wide divergence of judicial opinions. The EEOC's regulations on sexual harassment impose strict liability upon the employer for such conduct of supervisors—even if the employer did not know of the conduct, had no reason to know of the conduct and had a policy against the conduct. 29 CFR. S1604.11(c). While some recent cases appear to go almost this far (*Miller v. Bank of America, supra*), most cases require at least "constructive knowlege" of the sexual harassment. (*Henson, supra; Bundy, supra; Barrett v. Omaha National Bank* No. 83-1990, slip opinion [8th Cir. Feb. 3, 1984]). Other courts seem to require more employer involvement before imposing liability upon an employer in "hostile work environment" cases than in "tangible consequence" cases, such as job dismissal. *Katz, supra.*

Even the EEOC agrees that if the sexual harassment comes from a fellow worker—rather than a supervisor—the employer will be held responsible only if the employer had actual knowledge or "should have known." The employer can escape liability if he or she can show that "immediate and appropriate corrective action" was taken. 29 CFR S1604.11(d). The EEOC applies this same standard to impose liability upon employers for the sexual advances of non-employees in the work place. It adds, however, that "In reviewing these cases the Commission will consider the extent of the employer's control and any other legal responsibility which the employer may have with respect to the conduct of such non-employees." 29 CFR S1604.11(e). In this connection, the EEOC recently entered a decision finding a restaurant owner responsible for the conduct of a customer in "touching and directing jokes and comments of a sexual nature to a waitress." EEOC Decision No. 84-3 P6841.

Operators should anticipate very significant case law development on all of these issues in the months and years ahead.

■ D. Meal credit under the Fair Labor Standards Act (FLSA)

It appears as if legal controversy will continue regarding the issue of a restaurant's entitlement to a credit against the minimum wage obligation for the "reasonable cost" of meals "customarily furnished" by the employer to employees as permitted by Section 3(m) of the FLSA.

The difficulty, of course, stems from the meal credit; the recent case trend reveals rejection of the Government's regulations (29 CFR S531.30) and *Field Operations Handbook* guidelines (FOH Chapter 30, Section 30c01 and 30c02) pertaining to the meal credit. Specifically, the historical controversy has centered around the government's positions that acceptance of the meal plan not be a condition of employment; that the employees be given an option to take cash in lieu of the meals (i.e., that the meals' acceptance be "voluntary and uncoerced"); that the employees actually *eat* the meals and that the employer maintain detailed records of meal consumption and costs.

While various courts have upheld the government's detailed requirements for an employer's receipt of the meal credit, the recent trends in the cases reveals rejection of the government's positions. Most notably in this regard are the decisions last year of the Eleventh Circuit Court of Appeals in *Davis Brothers, Inc. v. Donovan*, 96 L.C. P34, 346 (11th Cir. 1983) and *Morrison Inc. v. Donovan*, 96 L.C. P34, 347 (11th Cir. 1983) as well as the district court decision in *Donovan v. Miller Properties, Inc.*, 547 F.Supp. 785 (N.D. La. 1982).

■ E. The FLSA executive exemption

Another major FLSA issue of importance to the foodservice industry is FLSA's executive exemption to an employer's overtime pay obligation.

Within the restaurant context, this issue most frequently presents itself in connection with management positions and the chef position.

There are many subtleties and subissues that may be presented in any executive exemption controversy. The primary thorn in the industry's side, however, is the government's enforcement position that "primary duty must be management" means "50 percent or more" time spent on management activities. This is compounded by the government's failure to acknowledge that an employee can perform management duties *concurrently* with non-management duties. 29 CFR. Section 541.1 to 541.6.

From an enforcement standpoint, the government appears to be quite slow in accepting the teaching of *Donovan v. Burger King Corp.*, 675 F2d 516 (2nd Cir. 1982) and *Donovan v. Burger King*, 672 F2d 221 (1st Cir. 1982) that "primary" does not mean over 50 percent; it means "first among many" or "most important."

Since the government's trial dismissal with prejudice concerning the exemption for chefs at the Cross Keys Inn in *Donovan v. Petrancosta Corp.*, USDC W.D. Pa., CA No. 81-1978, there have been no reported cases dealing with a chef's entitlement to the exemption. There is no reason to believe, however, that the government will not press its views on this issue in its enforcement.

The only major judicial development in the executive exemption area is the recent (December 16, 1983) decision of the Third Circuit Court of Appeals in *Guthrie v. Lady Jane Co. Collieries, Inc.*, 99 LC paragraph 34,482 (3rd Cir. 1983). The Court granted the exemption to certain management employees who spent less than 50 percent of their time on management duties (i.e., 40 to 44 percent) after analyzing, as in the *Burger King* cases, many factors relevant to the determination of whether employees' "primary duty" is management.

Apparently, until there is developed further circuit court authority rejecting the government's enforcement policies on this issue, operators can anticipate continued controversy. ❑

Dining a la Heart

CASE STUDY
Heart Health Dining In Mankato

By Patricia B. Kelly
Director of communications, Public Voice for Food and Health Policy, Washington, DC

What is the "B-score" of your best-selling luncheon entree?

How does a dish get "hearted"?

How can a bacon-lettuce-tomato sandwich be "heart-healthy" for lunch but not dinner—or vice versa?

In Mankato, Minnesota, population 34,000, restaurateurs know the answers to these questions. For close to two years, about 10 of the town's restaurants—representing 20 percent of the total number—have been participating in an innovative, community-wide campaign to cut back on heart disease through diet, exercise and preventive medical care.

The campaign is part of a 10-year research project funded by the National Heart, Lung and Blood Institute and directed by the University of Minnesota's Division of Epidemiology. Mankato is the first of three Minnesota areas to join the effort, (followed by Fargo-Moorhead and Bloomington) and the community has put its own heart into the program.

Schools, grocery stores, clinics, clubs, the media and restaurants are working to combat four major risk factors for cardiovascular disease: high blood cholesterol, cigarette smoking, high blood pressure and too little physical activity. The methods vary from grocery shelf labels indicating low-fat and low-sodium foods to health check-ups that reveal individuals' risk factors. The comprehensive effort is coordinated through the Mankato Heart Health Education Center.

The restaurant component of the program is the newest and one of the most innovative health education methods. It is particularly important, according to Program Nutrition Coordinator Linda Hachfeld, because it is the only organized activity that does not focus on citizens' modifying their own cooking. And Hachfeld says Mankato restaurants help reach a hard-to-reach group, 40 to 64-year-old men—both business executives and blue-collar workers—who are at high risk of heart attacks. Restaurants thus offer a key opportunity for health education.

Before the Mankato program launched its restaurant effort, it surveyed the eating-out habits of Mankatoans. According to Hachfeld, the average citizen ate out 3.5 times per week. One out of every two persons had lunch away from home, and one out of three ate dinner out. The breakfast figures were lower—one out of four to six started the day with a meal away from home.

Armed with this information, the Mankato program's restaurant effort

was created in early 1982. It is a model in joint planning and participation between the Mankato Heart Health Program and community restaurateurs. Together, the two sectors crafted a unique effort to fit the needs of a community involved in a wide-scale health education program.

Getting started . . .

At the first meeting of Mankato restaurateurs and heart health program coordinators, the mutual goal was to develop a restaurant program. The group began the design process by looking at other programs and deciding what they did not want to do.

The group did not want to adopt any of the American Heart Association's Creative Cuisine models because those programs do not look carefully at sodium. "We wanted to include sodium, and we also wanted to show the quality of food choices—such as polyunsaturated oils—as well as quantity (through portion size)," says Linda Hachfeld.

The group did not want to develop a separate menu approach. Group members wanted to work with existing menus to educate all diners rather than isolating health-conscious diners by requiring them to request special menus.

After establishing the general framework, participants agreed on a method for identifying heart-healthy items on regular menus—posting tiny red hearts next to "approved" dishes. They chose their own logo—a chef—and their own name—Dining a la Heart. Most importantly, perhaps, the program managers and restaurateurs approved an elaborate scheme for analyzing the nutritional content of the dishes on restaurant menus to determine which items would receive hearts or—as they say in Mankato—which items would be "hearted." (See "B-score" box for description of program standards.)

The group, by this time a "restaurant committee," then developed a series of steps for implementing Dining a la Heart. Restaurants apply by contacting the Mankato Heart Health Program, which schedules them for an introductory visit. They are requested to submit all of their recipes and dish specifications for nutrient analysis, performed by computer at the University of Minnesota. "We even want to know how big or small they cut their lasagna," says Hachfeld. The resulting analysis determines which dishes meet program standards automatically (fresh fruits), which dishes—if modified—could meet standards (a vegetable casserole with too much salt) and which dishes could never qualify (liver and corned beef, because of average portion sizes). This process takes about a month.

Heart Health program personnel then work with restaurateurs to "heart" the qualified items or modify the potential ones. Upon official entry into the Dining a la Heart program, the restaurateur agrees to carry out a series of ongoing tasks, including data collection; employee training (with the help of Heart Health program staff and materials); display of program literature, such as table tents, window signs and certificates of participation; and continuous contact with the program regarding any menu or recipe changes.

Early results . . .

To day Dining a la Heart programs exist in a range of Mankato eating places, f.om white-tablecloth and family-style restaurants through fast food establishments and even a hospital cafeteria. Two prominent restaurateurs co-chair the program's restaurant committee, which seeks to assist other Minnesota communities launching similar efforts. There have been no "drop-outs" from the Mankato program, says Hachfeld, and all the restaurants that have applied so far have joined the effort.

Most of the participating restaurants have between 30 to 50 percent of their menu items "hearted," according to Hachfeld; two are at or close to 80 percent. Hachfeld sees 30 percent as a minimum level for positive community response. Fewer hearted items "probably would work against the restaurant rather than for them," Hachfeld comments. There can be a sense of "backlash" from customers who perceive that most of a restaurant menu is *not* heart-healthy, she believes.

Copper Alley, a restaurant featuring fresh American cuisine in an upscale setting, does not need to worry about that. It is the one that is 80 percent "hearted." Co-owner Micky Schulte, who co-chairs the restaurant committee with Mr. Steak franchise owner John Gallup, has been a program proponent since the beginning, and her restaurant underwent an "about-face" to achieve its "hearted" status.

Copper Alley's entree selections went from mostly deep-fat fried items to none; today the menu says in small print: "Fish may be deep fried upon request."

Finding proper recipes was a challenge, Schulte admits. But by changing preparation methods to steaming, broiling and roasting; cutting back on the amount of salt used in recipes; adding more fresh fruits and vegetables and creating low-fat meat and

Participating restaurants in Mankato, Minnesota

Copper Alley Restaurant
Immanuel-St. Joseph's Hospital
Greenland Supper Club
Happy Chef East
Heavenly Bake-Home Pizza
Holiday Inn Downtown
Holiday Inn North
Liberty Bake-Home Pizza
Maggie's Cafe & Saloon
Marti's Pizza
Mr. Steak Restaurant

Croissant Du Jour
MON: Bacon, Lettuce & Tomato Croissant 4.95
TUES: Clubhouse Croissant 5.50
WED: Ham & Cheese Croissant 4.95
THURS: Fresh Crabmeat Croissant 5.75
FRI: Fresh Shrimp & Crabmeat Croissant 5.95
SAT: Smoked Turkey & Walnut Croissant 4.95

fish sandwiches, Copper Alley expanded its original menu from 18 "hearted" items to 40. And the customer response has been overwhelmingly positive.

Schulte thinks the biggest changes for most restaurateurs have been reducing salt and switching to vegetable oils.

Mr. Steak's John Gallup was willing to switch oils, but he knew he couldn't make major item changes in his popular menu. He wasn't sure he should even consider the program for his restaurant. "We are a steak house," Gallup explains. "And they were talking about less cholesterol and lower sodium."

Gallup decided, however, to try the nutrient analysis and was happy that a number of his items qualified for hearts. They included smaller portion steaks, chicken dishes and combination plates.

Hearts intact, Gallup had a new worry: "I was afraid that the larger portion, higher-priced items wouldn't sell." The results could not have been better for Gallup, however. The "hearted" items doubled in sale but the "top end" of the menu kept its faithful customers too.

"We picked up our customer count by getting more business from people who were watching their diets," says Gallup, but "we also kept the folks who wanted more expensive steaks. The program really helped us."

The healthful approach for his kind of restaurant, says Gallup, means watching portion size and preparation method.

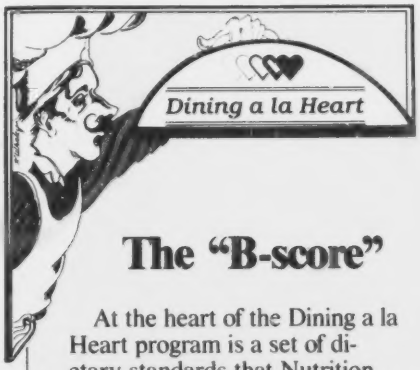
"There is absolutely nothing wrong with red meats," he emphasizes, "but you do not want to eat a 20-oz. T-bone steak every night."

Don Martin, owner of Marti's Pizza, also was surprised when 10 of his regular items—40 percent of his menu—qualified as heart-healthy.

"I was dubious at first," he said. "Our competition is so keen, I didn't plan on changing anything." Martin's un-hearted Italian sausage and pepperoni pizzas remain the restaurant's best-sellers. But weighing in with hearts are plain, green pepper, shrimp and hamburger pizzas; salads and Marti's Italian meatball sandwich with homemade sauce. The sauce helped qualify the sandwich as does the restaurant's special lean hamburger. Martin starts out with ground beef that is 85 percent lean then precooks it—discarding the fat—before adding it to his dishes.

Hachfeld recognizes that some fast food eateries specialize in foods and preparation methods that are some of the program's biggest stumbling blocks: deep-fat frying, deli items and prepared ingredients, such as canned soups and sauces, along with heavy doses of fat and salt. Since many are franchises, they often have little control in getting around these stumbling blocks, she adds.

Martin says many of the fast food operators presume the Dining a la Heart program would require large-



The "B-score"

At the heart of the Dining a la Heart program is a set of dietary standards that Nutrition Coordinator Linda Hachfeld calls "a Mercedes-Benz model."

Most Heart Health diets focus on lowering daily intake of fats, cholesterol and salt. Dining a la Heart keeps track of these measures for individual dishes through a special scoring system developed by the University of Minnesota's Division of Epidemiology.

The "B-score" (B for blood cholesterol), applied to a computerized nutrient analysis of each dish, rates the levels of fat (saturated, polyunsaturated and monosaturated), cholesterol, sodium and calories in the dish. Based on an ideal daily intake of 30 percent of calories from fat, the B-score allows a total count of "10" for lunch and "15" for dinner. (Breakfast, not analyzed by the program, is assumed to have a count of 5.) The B-score also allows 3,000 milligrams (about 1½ tsp.) of sodium per day—1,000 for lunch and 1,500 for dinner. (Breakfast is given 500 mgs.) The scoring system is based on a daily intake of 2,400 calories.

Therefore, restaurant luncheon dishes that rate "10" or below and dinners that rate "15" or below on the B-score are approved for "hearting"—that is, restaurateurs may place red hearts next to those dishes listed on their menus.

The B-score rating system is "more sophisticated and complicated" than other measures, Nutrition Coordinator Linda Hachfeld says, but it also shows the "quality" or "combined positive effect" of the dish as well as the quantity of each ingredient. "It is a level-one type of standard," she says.

The next level down, according to Hachfeld, would be a list of foods based on the B-score. Even simpler would be a set of general guidelines that consider ingredients and portion size. Hachfeld says this is the approach of the national Creative Cuisine restaurant nutrition program developed by the American Heart Association.

scale menu changes. "They think there's too much work involved," he observes. "I tell them, 'You'd be surprised how many things qualify.'" Martin's efforts and John Gallup's independent approach with Mr. Steak serve to illustrate how fast food and franchise operations can adjust to Heart Health program standards.

Challenges for the future . . .

After two years, Dining a la Heart is at an administrative crossroads. Hachfeld says the program is instituting a series of changes designed to simplify the Heart Health program's involvement and is considering other ways to continue and keep visible a popular but labor-intensive effort.

"It takes an enormous amount of effort to maintain such a program," says Hachfeld. Implementation is one thing; keeping up is quite another, she adds. For example, menu changes require re-analysis, "rehearting" and constant contact with restaurateurs.

"It is a mammoth effort just to go through the menus," says Hachfeld. Coordinators used to go into restaurants and help "heart" the menus. Now restaurants will be expected to do that themselves. The program also plans to institute contracts or agreements with restaurateurs that will clarify expectations of these tasks.

In another move toward independence, program coordinators will help restaurants work more with their employees by making available new and innovative training materials. In the works is a training manual and an audio-visual presentation to help orient new restaurant employees.

In addition to maintenance, it is hard to keep such an ongoing program visible, says Hachfeld. The innovative Mankato effort has received national attention but, to the Mankatoans themselves, it is part of a 10-year campaign they live with daily.

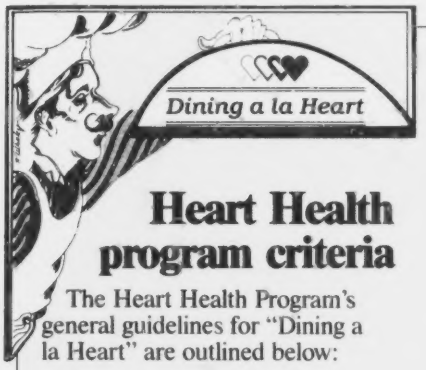
This very fact may be critical to the program's acceptance and success, according to several participating restaurateurs. Without the total heart health campaign as a framework, a restaurant effort like Dining a la Heart "might have had some impact, but not the kind of impact it has had here," says Gallup.

Schulte agrees. "Everyone here went through the Mankato Heart Health Center," she explains. "It is a unique situation for us as restaurateurs. We have had the support of educational efforts in the community to add to our own efforts."

"If we had tried this restaurant effort without the total program," says Martin, "I think we would have seen quite a bit of apathy. The community program backing it up is critical."

Finally, an additional feature of the Mankato program is the ongoing working relationship among the restaurateurs themselves. When the restaurant committee convened, Micky Schulte saw the challenge: "How do you sit down together when you all want to be unique and different? What about the competition?"

But the challenge became a strength as each individual restaurant adapted its own menu to the program and found ways to work with other participants. Joint advertising, special campaigns—such as Heart Healthy Week in October—and sharing ideas and experiences with restaurants seeking to join to help build the program and, in the process, increase heart health. ❑



Heart Health program criteria

The Heart Health Program's general guidelines for "Dining a la Heart" are outlined below:

Meats
Chicken, turkey, veal and fish are preferred meat choices. Beef, lamb and pork should be lean and well-trimmed in moderate portion sizes. All should be served without salt. If a deep-fat fried entree is hearted on a menu, it means an approved liquid vegetable oil was used in the fryer.

Side dishes
Side dishes, such as baked potatoes served with margarine, steamed potatoes or rice are preferable to french fries or au gratins. All should be served without salt.

Appetizers
Appetizers can include fresh fruits, vegetable trays, juices (with the exception of tomato or V-8 juice), or vegetables sauteed in approved oils or margarine. Only homemade soups with reduced fat and salt will be considered.

Salads
Salad bars are highly recommended.

Salad dressings
Preferred salad dressings are oil and vinegar, French or Italian and mayonnaise-based dressings, rather than sour cream dressings.

Dairy products
Margarine is recommended over butter because of low cholesterol content. Because skim, 1 percent low-fat milk and buttermilk are lower in fat and cholesterol, they are recommended over whole or 2 percent milk.

Vegetables
All kinds of fresh or frozen vegetables are recommended. Canned vegetables are not preferred because they are high in sodium. All vegetables should be seasoned sparingly with margarine or seasonings other than salt. Avoid cream or cheese sauces.

Breads
Preferred breads include white and whole grain yeast breads (no egg, cheese or butter crust bread), French and Italian bread, bread sticks, bagels, English muffins or homebaked muffins made with approved oils and limited salt.

Desserts
Desserts should include fresh fruits, angel food cake, sherbets, fruit ices, gelatin, low-fat puddings, frozen low-fat yogurt, and baked goods made with approved vegetable oils and reduced fat.

The business tea

New draw for luxury hotels

The afternoon tea is pushing its way into business calendars across the country. Once the reserve of the leisure class, it is undergoing a facelift as business executives turn to tea as a congenial setting for a meeting outside the boardroom or office.

The afternoon tea—not to be confused with a high tea, which in proper English manners is a hearty evening meal—is served roughly between 3:00 p.m. and 5:30 p.m. The fare is light, consisting of tea, finger sandwiches, scones and pastries.

The time is right . . .

From a dining standpoint tea time lends itself to business applications. The time is right. Because it comes at a metabolic and, for many, a mental energy low point in the day, it acts as a quick, non-disruptive pick-me-up. For the health-conscious it has advantages as well because it is calorically lighter than a full meal, and tea is a pleasurable alternative to alcohol.

But perhaps most important to the success of the afternoon business tea is its ambiance. According to etiquette doyenne Letitia Baldridge, a consultant to Jacqueline Kennedy at the White House and author of the forthcoming book, *The Letitia Baldridge Encyclopedia of Business Manners*, tea time affords an ideal setting for business meetings. "It's a quick, pleasant way to do business," she says. "It's efficient and gracious and is done in a casual atmosphere."

Baldridge emphasizes the importance of elegant service and ambiance as central to tea time's "ceremonial aspect." The cups and saucers should be porcelain, preferably bone china, and the teaspoon, sugar tongs and lemon fork should be silver or silverplate. The napkins should be cloth. The tea should be freshly brewed in boiling hot water, and one should strain one's own tea. Tea bags are taboo.

Hotels respond . . .

One industry segment that is responding to the popularity of business teas is the hotel dining room. At the Berkshire Place, New York, NY, the fixed menu includes smoked salmon and cream cheese, cucumber and other finger sandwiches, fresh scones with whipped cream and jam, and a choice of Irish whiskey cake or assorted fresh pastries. The tea selections include standards like Ceylon and a special decaffeinated raspberry.

The Waldorf-Astoria, New York, NY, has turned tea time into a signature item. Since instituting its tea service in March 1983, it has added selections at the rate of six per month and currently offers guests 100 types of tea.

Other hotels offering business executives a relaxing time out in the middle of the afternoon include the Parker House in Boston, MA; the St. Regis in Detroit, MI; the Inn on the Park in Houston, TX; the Four Seasons in Philadelphia, PA, and Washington, DC; and the Fairmont and the Mark Hopkins in San Francisco, CA. The price range for this business tea service usually falls between $8 and $14 per person.

A finishing touch offered by several of the most successful tea service hotels is live music. The Berkshire Place and the Helmsley Palace in New York City both flavor the tea time atmosphere with harp music, and New York's Plaza Hotel features violin strains in its Palm Court. Chicago's Mayfair Regent opts for piano music.

—Jay Pinkert

Tea—black, green and oolong

Next time you make a cup of steaming fragrant tea, the brew you steep will, in all probability, be a blend of some 20 to 30 varieties of tea—carefully selected by expert tea tasters to maintain the high quality and flavor of each particular brand.

In general, teas fall into three classifications: black, green and oolong. All three types come from the same tea bushes. It's what happens after the leaves are picked that makes them different.

Black tea undergoes a special processing treatment—oxidation—that turns the leaves black. In making green tea, the oxidation process is omitted. As a result the tea is green in appearance and has a light color when brewed. Oolong tea is a compromise between black and green tea. It's semi-processed so the leaves are partly brown and partly green. It, too, brews light in color.

Black teas—principally from India and Sri Lanka (Ceylon)—are by far the most popular in the United States today. About 97 percent of all the tea consumed in America is the black type. Within the three general classifications there are literally thousands of varieties of tea. Like wines these often take their names from the districts where they are grown.

Regardless of the variety used tea experts recommend that tea be brewed systematically. First, rinse out a teapot with hot water. Second, bring freshly drawn cold water to a full rolling boil—only fresh boiling water can bring out the true flavor of the tea. Third, use enough tea—one teaspoon of tea or one teabag per cup—and pour the boiling water over the tea. And finally, brew by the clock for three to five minutes. Don't guess—some teas brew light, some brew dark but it takes time for all tea leaves to release their flavor.

—Tea Council of the U.S.A. Inc.

EDUCATION

Don't miss NRA's California Wine Workshop

By Joseph N. Koppel, Ph.D. Michigan State University

NRA's ninth annual California Wine Workshop is coming up soon: September 29–October 3. If you have not attended the workshop before, you may wonder why you should take part. The reasons are many, but the primary reason is to find ways to uncork new profits or increase your present return in beverage sales.

The only problem (if you can call it that) during the five-day workshop is sensory overload. Here is a review of what I experienced at last year's workshop.

The program began with a component tasting session. Tannic acid, sugar and sulphur elements were isolated. This exercise sharpens the most veteran taster's skills as well as develops those of the novice. Science and technology have not yet developed a better method of assessing the quality of wine than that of human judgment through the sense of taste. When you make major purchasing decisions, your skill as a taster is most important.

After this introduction, we visited several wineries from the mountaintops of Santa Cruz to the Carmel Valley: Fogarty, David Bruce, Durney, Sycamore Creek, Turgeon Lohr, Mirassou and Paul Masson's sparkling wine facility. Our knowledge of wines improved with each visit, and our palates became more sophisticated with each guided tasting at the wineries.

The California Wine Workshop is designed for the novice and the wine connoisseur alike, and both will learn much. Edmund Osterland, in his book *Wine and the Bottom Line*, reminds us of the sales axiom "In order to sell, you must tell; in order to tell, you must know!" So what can be learned by attending the workshop? First, you can be introduced to winemakers and distribution representatives who can help you select future items on your wine list. This can be accomplished by tasting, discussing the merit of unreleased wine and learning what wine is selling and what wine might work for you in your restaurant.

Second, you will meet some outstanding people at the workshop who, too, are enjoying while they are learning. Both the people of the wine community and your fellow restaurateurs are there for a relaxed exchange of information. Questions such as, "How much longer will your 1978 cabernet sauvignon be at an optimum level of flavor quality?" can be answered. Also important is the idea swap that happens informally. You can learn about "wine of the month" programs, which wines are selling and which ones are not in different operations across the country, and how to motivate your staff to increase wine sales.

We also enjoyed a discussion of selling in wine bars, a stimulating session on merchandising by Eddie Osterland, a presentation

by wine writer and restaurant critic Andy Dias-Blue about consumer preferences in the marketplace, and question and answer periods with noted winemakers. I taught a session on why certain foods complement certain types of wine, combining three wines by the Durney vineyards—chenin blanc, cabernet sauvignon, and Johannesberg Riesling—with three major courses of food—smoked salmon, loin of lamb and an orange glace dessert.

With nine possible combinations, there was a consensus from this distinguished group of restaurateurs. First, the members preferred the smoked salmon with the chenin blanc. The probable explanation of this choice is that the chenin blanc was dryer (lower in sugar) compared to the Riesling. This sweetness seems to detract from the desired smoked flavor of the salmon. The natural tannic acid in the cabernet sauvignon (and in most red wines) often produces a slightly bitter taste when combined with most seafood.

Second, with the loin of lamb, NRA members were in keeping with tradition by matching this with the cabernet sauvignon. This is a classical food and wine affinity. It occurs due to the tannic acid, which helps cut through the normally high fattiness of the lamb. The natural seasoning of rosemary further contributes to the complementary relationship because of the moderate flavor intensity of the red wine. Conversely, our two white wines, which were much lighter in flavor intensity, were rendered almost tasteless by the dominant flavor of the lamb.

Our third choice with the orange glace dessert was the Johannesberg Riesling. This slightly late harvested and floral wine was a natural match. The wine seemed to have a hint of "orange blossom" in the taste. The orange zest (citric acid) used in the recipe was slight enough to not clash with the other natural acids in the wine. The chenin blanc was a distant second choice because of the combination of fruit and sugar found in both the food and wine. The cabernet sauvignon was a poor choice due to the wine's moderate to high flavor intensity and dryness.

How did we draw this fantastic educational experience to a close? Dinner at NRA's Vice President Ted Balestreri's Sardine Factory in Caramel.

By now you may wonder how the NRA staff will follow last year's act. Details for the ninth annual California Wine Workshop are nearly finalized—and you can be sure it won't be a comedown from last year's workshop!

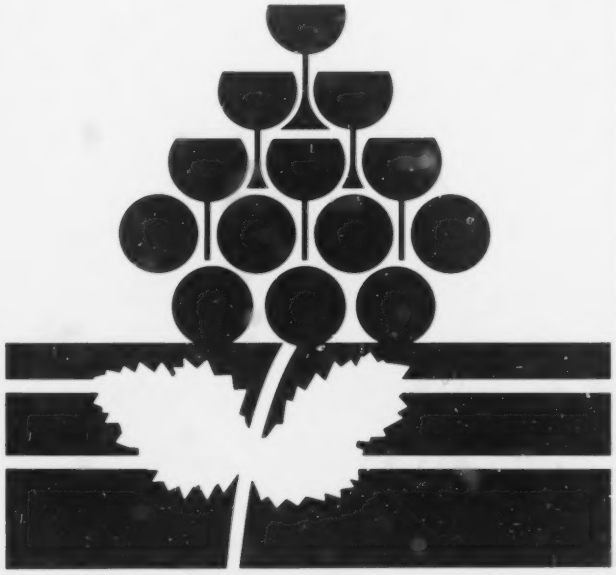
This year participants will head north from San Francisco to Sonoma. As many of you know (or will come to know by attending the workshop), this wine region is batting Napa for the right to be considered the number one wine-growing and producing region in California. It has a full range of varietal grapes as well as many microclimates that provide a wide choice of wines.

Educational sessions planned for this year are on such topics as winemaking, wine merchandising, current consumption patterns and staff training, and food and wine combinations.

I encourage you to attend this year's wine workshop to learn more about the product, to meet your fellow professionals and, above all, to simply enjoy this valuable learning experience.

Wine workshop facts

Date: Sept. 29 to Oct. 3, 1984
Place: Sonoma Valley; accommodations at Sonoma Mission Inn
Cost: NRA members—$995, non-members—$1095; $250 deposit required; refundable through September 14
What's included: tours of nine wineries (Rodney Strong, Alexander Valley, Simi, Jordan, Grand Cru, Sabastiani, Iron Horse, Hacienda and F. Korbel & Bros Champagne Cellars); tasting of at least 75 wines; two gourmet dinners; two lavish tasting receptions; four continental breakfasts; four catered luncheons; four nights accommodations and five educational programs.
To register: Contact NRA education programs department (202)638-6100 or (800) 424-5156.



National Conference Series

Each NRA national conference offers a unique opportunity for operators to gather together and explore trends, problems and innovations in specific areas of foodservice operations. In addition to the wine workshop, NRA's 1984–85 Conference Series includes

- **National Conference on Off-Premise Catering**
  Washington, DC; October 28–31, 1984
- **National Management Conference for Independent Operators**
  New Orleans, Louisiana; January 27–30, 1985
- **National Conference on Computers in Foodservice**
  Las Vegas, Nevada; March 24–27, 1985

Fisher's Law #54

Transforming executive "burnout" to "light-up"

In recent years, considerable attention has been paid to a work environment condition that has been termed "executive burnout." Burnout often occurs during the middle years when "change of life" or "mid-life" crisis is common.

Alleged causes of this malady can range from overwork (real, self-imposed or imagined) to feelings of helplessness in the face of an increasingly competitive and complicated world (information overload, travel overload and so forth).

Symptoms can range from changed behavior on-the-job (declining productivity, carelessness, irritability) to changed behavior off-the-job (overeating, waking up in the middle of the night) to a generalized pervasive anxiety (crumbling of mental toughness, self-doubt, "weight-of-the-world-on-my-shoulders" feeling).

In times past, senior management showed little concern for subordinates suffering from the burnout syndrome. The prevailing sentiment may well have been, "I've got my own problems; I can't take on yours as well," or "If you can't take the heat, get out of the kitchen."

Today's enlightened management is more concerned with preventing burnout. It has recognized investment in subordinates in terms of both social and corporate fiduciary responsibility. It also has recognized the difficulty of replacing highly talented, competent management and the financial incentive to inhibit escalating health care costs.

Fisher's 54th law needs expression at this point. **Concerned managements combat executive "burnout" in subordinates with "executive light-up" or "executive re-ignition" systems, which allow for continued thrust in pursuit of organization objectives.**

How can an organization implement this approach? Here are some suggestions.

1. **The verbal briefing.** Many organizations require written weekly reports from management subordinates. These reports serve as a barometer of business activity, provide early warning alerts to pending problems and so forth. I have found, however, that verbal reports are more stimulating to both the person giving the report and the receiver of the information. In voice-to-voice communications, you can give the subordinate a pep talk if necessary, and he/she can feel that you are really listening to what is being said. The verbal report has the added advantage of being more current than a written document and is seldom perceived to be the "chore" that some people regard written reports to be.

Face-to-face communication is best, if possible, but even voice-to-voice (telephone) is preferable to weekly written reports.

No, I'm not denying the value of written status reports. They have their place, of course, but a monthly written report is usually adequate for most purposes.

2. **The change of assignment.** Burnout victims often feel they are in a rut, mired in a morass of matter from which there is no escape. It can be stimulating to a burnout victim to receive a new assignment. This does not have to be an upheaval of one's total responsibility. Heading a task force to address a specific issue in a troublesome area is one example of a special assignment. This technique will not work if you are just "piling on" more work for the subordinate to wrestle with, but if you can withdraw the person temporarily (one to three months) for a special project, it can inject vigor into an existing flat situation.

An alternative is to add one "new" responsibility on a day-to-day basis, but transfer one "old" responsibility to someone else, which, in turn, becomes a new responsibility to the transferee.

3. **A change of environment.** This does not mean a cross-country relocation, which is costly and can be stress inducing in and of itself. Rather, it means making the work space more desirable. If a person has a "windowless" office, for example, it may be therapeutic to change him/her to an office that has an outside view. On the other hand, an inside office, that has non-load bearing partitions, could be altered to have a glass partition. This can "open the world" to an employee and can have positive results.

A changed environment can mean installing new carpeting, different wall-hangings, new desk, chair and so forth.

Although these changes may seem minor, they can provide a refreshed lease-on-life to a burnout sufferer.

4. **The presentation.** Another avenue designed to break a person out of the emotional doldrums is to have him/her give a presentation about the company or about his/her department or function. There are numerous opportunities for this. For example, career days in high schools, college recruiting and other departmental meetings all offer opportunities for the speaker to prepare, and place in perspective, the subject which is being addressed.

There are a number of other aids that can be offered a person who may be on the downhill slide to the burnout pit, such as an exercise program, travel to a seminar, a physical examination, a weekend at a resort for the person and spouse, a temporary transfer and so forth.

You see the point. Once again, the way to transform a "burnout" case, is to put "light-up" or "re-ignition" forces in motion. A dying ember can be rekindled into a bright flame if you give it combustible material and fresh air.

For further information, contact:

National Restaurant Association
311 First Street, N.W.
Washington, D.C. 20001
(202) 638-6100

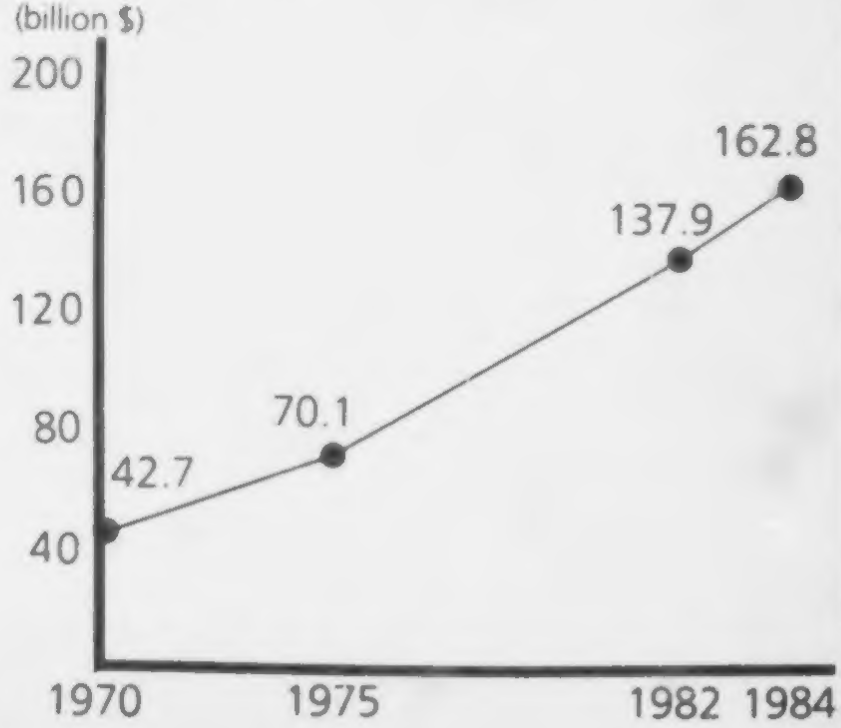
1984–85 Officers of the
National Restaurant Association

Chairman of the Board and President—
Harris O. Machus
Vice President—
Ted Balestreri
Treasurer—
G. "Jim" Hasslocher

Foodservice—
First in number of units . . .

1.	Commercial Feeding	389,269
2.	Institutional Feeding	167,034
3.	Military Feeding	1,256
		557,559

Foodservice sales have quadrupled since 1970 . . .



Foodservice Sales Projection, 1984: $162.8 billion

	Sales '84 (billion $)
Commercial Feeding	
Eating Places	$ 103.5
Drinking Places	8.9
Foodservice Contractors	8.9
Hotel/Motel Restaurants	8.7
Other: Retail, Vending, Recreation	9.7
	$139.7

	Sales '84 (billion $)
Institutional Feeding	
Business, schools, hospitals, nursing homes and others which operate their own foodservice	**$ 22.3**

	Sales '84 (billion $)
Military Feeding	
Base exchange, officers' and NCO Club foodservice	**$ 0.8**

Foodservice—The number one retail employer . . .

- Employment in the foodservice industry equals more than 8 million persons.
- Two-thirds of the industry's employees are women and one-fourth are teenagers.
- Sixty-four percent of job openings will be taken by women, and 49.2 percent will be taken by teenagers.
- Total annual foodservice wages and benefits equal nearly $50 billion.

Foodservice is a ladder to management opportunity . . .

- 31 percent of industry employees are managerial or administrative personnel.
- Foodservice employs more minority managers than any other industry.
- Half of all foodservice managerial and administrative personnel are women.

Foodservice—An integral part of our nation's economy . . .

- Foodservice will achieve a real gain in sales of 4.1 percent in 1984.
- Foodservice industry sales equal nearly 5 percent of the U.S. Gross National Product.
- Foodservice receives 37.9 percent of all consumer expenditures for food.
- Food and beverage purchases will total $67.5 billion in 1984.

Foodservice—First in daily customer contact . . .

- Individuals eat out an average of 3.5 times a week.
- Nearly 80 million customer transactions occur each day at Commercial Foodservice establishments.
- Eight out of 10 households report eating out regularly.
- Per person check equals $3.22.
- Breakfast is capturing a rising share—8.5 percent of the occasions in 1983 versus 7.2 percent in 1980.

Chains and franchises grow in importance . . .

- Chains with more than one unit account for $39 billion of eating and drinking place sales.
- Chains with 100 or more units contribute over $17.5 billion of eating and drinking place sales.
- Sales of franchise restaurants reached $34.2 billion in 1982, up from $4.6 billion in 1970.

Eating and drinking places are mostly small businesses . . .

- The vast majority have sales under $500,000.
- Most are single unit operations.
- More than half are sole proprietorships or partnerships.
- The average sales per establishment for a full service restaurant was $382,765 in 1982.
- The average sales per establishment for a fast food restaurant was $326,855 in 1982.

TO YOUR HEALTH

Food irradiation—no longer a technique of the future

Keeping our food supply safe and abundant is a difficult and demanding task. Insects, pests and microorganisms can spoil food and make it unsafe to eat. Many foods are seasonal and highly perishable.

To process and store food many techniques have been employed—from drying, smoking, salting, freezing, refrigerating, and canning to using pesticides and preservatives. Soon irradiation may be added to the list.

Irradiation, as a process, is not new. It has been studied by scientists for nearly 30 years.

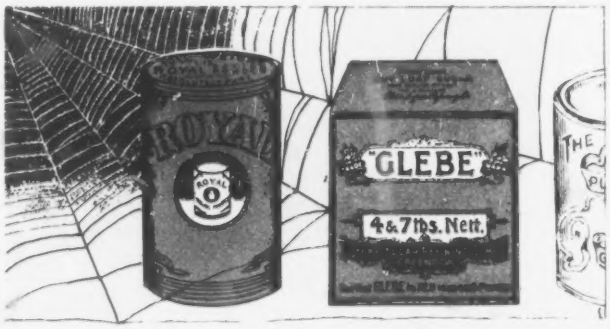
Irradiation is by definition the act of exposing matter to radiation, specifically to gamma Xrays or electron-beam (BETA) processing. It does not make food radioactive.

Irradiation has been an experimental technique until this year because the 1958 amendments to the Federal Food, Drug and Cosmetic Act, commonly referred to as the Delaney Amendment, prohibit the use of a new food additive until the sponsor establishes its safety and the Food and Drug Administration (FDA) issues a regulation specifying conditions for safe use.

In the February 14, 1984, issue of the *Federal Register,* the FDA published a notice of proposed rulemaking for using ionizing radiation to treat foods. The proposed regulations would permit food to be irradiated

- to inhibit the growth and maturation of fresh fruits and vegetables
- to disinfect food of insects and
- to disinfect species of microbes.

The doses of irradiation are set at specific limits for each purpose.



Uses of irradiation . . .

Irradiation, used in various doses and time exposures, can serve many purposes, including

1. *Sterilization.* This is a high-dose treatment that can kill all the microorganisms in a food. Sterilized food can be stored in sealed containers for years at room temperature without spoiling.

Currently, scientists are experimenting with high-dose radiation as a partial alternative to sodium nitrite. Experimental irradiated bacon and pork sausage have been produced using no nitrites. The taste is reported to be acceptable, although different from conventional bacon.

2. *Pasteurization.* This is the widely-used process that decreases—not eliminates—the number of microorganisms in a food, destroys food poisoning bacteria and delays spoilage. It would require moderate levels of irradiation.

3. *Disinfestation.* Low-dose irradiation kills insects in grains and other stored foods. It could replace disinfestation by fumigants or pesticides, replacing ethylene dibromide (EDB).

4. *Sprout inhibition.* A very low-dose irradiation exposure can inhibit sprouting of vegetables, such as potatoes and onions. Currently chemicals are used for this purpose.

5. *Delay of ripening.* Low dose irradiation can delay the ripening of some fruits, thus extending storage life.

The FDA now believes that food irradiation is safe because it causes no increase in radioactivity in foods and because it does not create new chemical species. The amount of chemical change induced by food irradiation is believed to be very small and comparable to the amount of chemical change that results from natural growing conditions or routine processing practices.

Research still continues, and the FDA maintains resources in

- general toxicity
- nutrition
- microbiology and
- packaging.

Mixed reactions . . .

With so much to consider, it is not surprising that food irradiation is a controversial issue. FDA has received approximately 4,000 comments on the proposed regulation. Generally food irradiation is receiving praise from food processors and growers because of the vast improvement in quality, safety and shelf life of food irradiation would provide, concern from consumers about radiation exposure and a range of mixed emotions from scientists.

Some scientists maintain irradiation has been tested sufficiently and should be implemented. Others believe the process is too unique to be free from concern, and they worry about the possible consequences of long-term exposure to irradiated foods.

Two bills, similar in content, have been introduced in the House and Senate. They endorse food irradiation and specify its difference from food additives. These bills would define all food irradiation treatment as a food process.

In addition, the bills would establish the Joint Operating Commission for Food Irradiation that would coordinate and manage every area of food irradiation research and development. The commission also would act to promote consumer acceptance of food irradiation and would encourage private technological development in this area.

Whether food irradiation becomes a technique used regularly in the U.S. to process and store foods depends upon the action of the FDA, the influence of Congress and the mandate of consumers.

—Karen Sherwood, R.D.

FOODSERVICE TRENDS

Revised 1984 forecast

The National Restaurant Association has revised its 1984 forecast for food and drink sales and menu prices based on recently released information from the *1982 Census of Retail Trade* and information on menu price inflation published by the Bureau of Labor Statistics.

The retail census data revealed that NRA's eating place sales estimates were somewhat low for 1982 and subsequent years and that our estimates for bars and taverns and retail hosts were slightly high. Consequently, we have revised our sales volume estimates in these categories between 1982 and 1984.

NRA now expects menu prices to rise only 4.6 percent in 1984, not 5.3 percent as originally forecast. More moderate advances in food and overhead costs as well as the desire by many operators to hold down menu price increases have helped dampen menu price inflation.

As a result of the lower menu prices, several segments of the industry will experience stronger real (adjusted for inflation) sales gains, and we have revised these estimates accordingly. The percent changes based on current dollars will remain as originally forecast.

Total industry sales are now expected to reach $162.8 billion, an 8.9 percent increase in current dollars and a 4.1 percent rise in real (inflation-adjusted) dollars. This is up significantly from the original forecast of $157 billion and a real sales gain of 3.5 percent. (See "Foodservice Trends" section of the December 1983 ***NRA NEWS*** for complete 1984 forecast.)

Sales for the *Commercial Group* will reach a revised $140 billion, up 9.3 percent from 1983. Real sales for this segment will advance 4.7 percent versus an original prediction of 4.0 percent. *Institutional Group* and *Military Group* sales will remain unchanged.

Within the commercial segment, *eating place* sales are expected to total $103.5 billion versus $96.7 billion as shown in the original forecast. Real sales (inflation-adjusted) will be up a substantial 5.2 percent, significantly above the original prediction of 4.5 percent.

Among eating places, *restaurants and lunchrooms* will provide most of the improvement in sales. Sales for this sector are predicted to total $55 billion, up strongly from the $50 billion originally forecast.

Limited menu (fast food) sales are expected to total $43 billion, slightly above the $41.2 billion previously estimated.

Estimated food and drink sales for *bars and taverns* have been revised downward. Sales are now expected to reach $8.9 billion, compared with the original prediction of $9.8 billion.

Retail host sales have also been lowered and are expected to total $4.2 billion in 1984, down slightly from the $4.3 billion originally estimated.

Final sales data from the 1982 retail census are expected later this year, and this may result in some further revisions to the 1982, 1983 and 1984 figures. In addition, revisions to food and drink sales for 1978 through 1981 will also be done later this year. These changes will primarily affect the eating place and retail host segments as well as bars and taverns. Readers will be kept posted on these revisions here in the "Foodservice Trends" section of ***NRA NEWS***.

Revised foodservice industry sales*
1982–1984

	Sales (000)		
	1982	1983	1984
Restaurants and lunchrooms	$ 46,288,290	$ 50,361,660	$ 54,994,932
Limited menu (fast food) restaurants	35,141,860	38,831,755	42,986,753
Total eating places	86,181,883	94,290,452	103,511,005
Bars and taverns	7,902,348	8,336,977	8,903,892
Total eating and drinking places	94,084,231	102,627,429	112,414,897
Retail hosts	3,601,477	3,857,182	4,181,185
Total Commercial Feeding Group	117,444,921	127,725,290	139,654,599
Total Institutional Feeding Group	19,733,319	20,905,530	22,251,962
Total Military Feeding Group	714,160	774,285	844,211
Grand total	**$137,892,400**	**$149,405,105**	**$162,750,772**

*Revisions based on preliminary data released from the *1962 Census of Retail Trade*.

Note: The figures shown here are revisions to sales information published in the December 1983 issue of ***NRA NEWS***. All other figures remain unchanged.

Sources: Malcolm M. Knapp, Inc., National Restaurant Association.

1984 annual operating ratio report now available

Foodservice industry operators as well as investors frequently seek information on the financial and operating data of the nation's restaurants. In response to these inquiries, the National Restaurant Association has published *Restaurant Industry Operations Report '84*.

This annual study, conducted jointly by NRA and the international accounting firm Laventhol and Horwath, contains a wealth of information that is not available from any other public source. The financial data for this study were supplied by NRA members, and the analysis was performed by Laventhol and Horwath.

Approximately 800 questionnaires were received from members of the NRA, and 705 surveys were used as a basis for this report. Those questionnaires that were not included in the final tally were omitted because the information present was either incomplete—often not spanning the full 12-month fiscal cycle—or presented in a form that did not correspond with the other surveys—company-wide data rather than information on a unit basis.

What's in the report . . .

This comprehensive report includes specific financial information on full and limited menu restaurants with tableservice, limited menu restaurants without tableservice (fast food) and cafeterias. Information is broken down by restaurant type, location, sales volume, menu theme and by years of operation. The report has been divided into two sections—one for restaurants serving food only and the other for restaurants serving both food and alcoholic beverages.

The restaurants participating in this study represent a broad cross section

of the foodservice industry. In most cases, comparisons between categories can be made with *Restaurant Industry Operations Report '83*. For the second year information on meals served and cross-tabulations for such breakdowns as organization type (single unit, multi-unit) and affiliation (franchisee, non-franchisee) are presented.

The accompanying charts are a sample of the information included in this valuable report. These same data are available for full menu and limited menu restaurants as well as for restaurants serving food only. Other information presented in the publication includes

- Analysis of employee data—employees per seat, average sales per employee
- Earnings ratio by type of restaurant and
- Figures for total cost of sales.

The restaurant industry dollar: Food and beverage restaurants, 1982–1983

Where it came from	1983	1982
Food sales	72.0%	72.6%
Beverage sales	25.6	25.5
Other income	2.4	1.9
Total	100.0%	100.0%

Where it went	1983	1982
Food cost	27.9%	28.6%
Beverage cost	6.6	7.0
Payroll	25.4	27.6
Employee benefits	3.8	2.8
Direct operating expenses	5.8	6.1
Music and entertainment	1.0	0.8
Advertising and promotion	2.2	2.0
Utilities	3.1	3.0
Administrative and general	4.0	4.5
Repairs and maintenance	1.8	1.9
Rent	5.8	4.5
Property taxes	0.8	0.6
Other taxes	0.6	0.8
Property insurance	0.8	0.9
Interest	1.5	1.4
Depreciation	3.3	3.1
Other deductions	1.4	1.0
Net income before income tax	4.2	3.4
	100.0%	100.0%

Source: *Restaurant Industry Operations Report '84*, published by the National Restaurant Association and Laventhol and Horwath, July 1984.

How to order report . . .

Restaurant Industry Operations Report '84 is now available at a cost of $17.50 (plus $2 shipping and handling) for NRA members and $35 (plus $3.50 shipping and handling) for non-members. DC residents add 6 percent sales tax. Illinois residents add 7 percent sales tax. Chicago residents add 1 percent sales tax to the Illinois sales tax. To order, contact the National Restaurant Association, 311 First St., N.W., Washington, DC 20001 or call 800-424-5156. Payment *must* accompany all orders. Credit card telephone orders are accepted. Please specify number CS954 when placing your order.

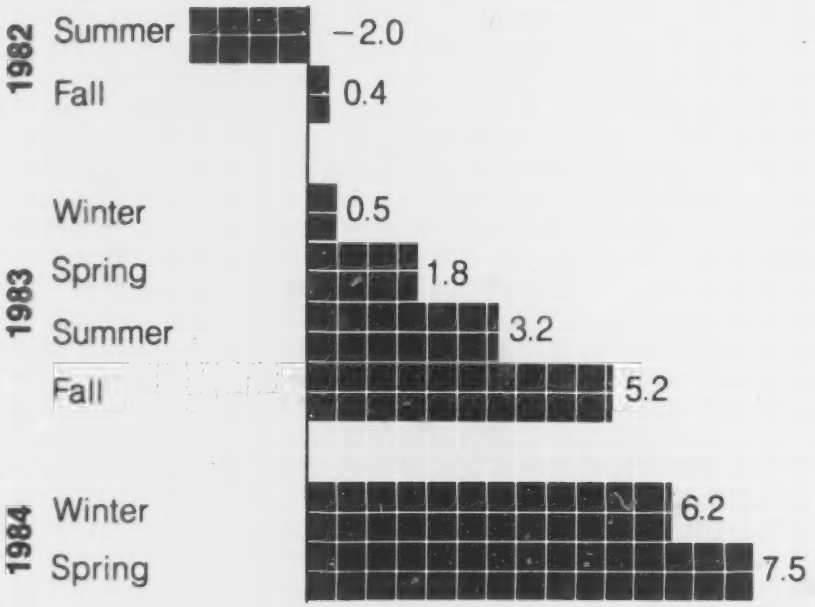
CREST REPORT

March-April-May

CREST Highlights

- The CREST *Household Report* has an expanded sample base that now includes singles.
- Customer traffic leaped 7.5 percent during the spring quarter, the strongest gain since the *Household Report* began in the summer of 1981.
- Visit frequency rose 2.2 percent, and the proportion of households dining out increased to almost 80 percent.
- Sales continued to climb, rising 11.8 percent in the spring. This compares with a 9.9 percent gain in the winter and a six percent increase in the fall quarter.
- The average check size reached $3.38—a moderate four percent increase.
- Upscale restaurants posted the largest traffic increase—10.3 percent. Quick service establishments followed with a 7.7 percent gain and midscale restaurants reported a 6.1 percent increase.
- Breakfast traffic advanced 15.9 percent, dinner traffic gained 8.7 percent, and lunch traffic was up 8.1 percent.

Percent change in quarterly traffic
(summer 1982-spring 1984)



Note: Percent change is from the same quarter in prior year.
Source: *CREST Household Report*, CREST, NPD Research, Inc.

NRA introduces the new CREST *Household Report*

New format for CREST . . .

With this issue NRA introduces a new format for the quarterly "CREST Report" based on data from the CREST *Household Report* rather than from the CREST *Family Report*. The new report provides an expanded sample base. It incorporates the influence of singles and non-related households, adding 2,800 non-related households to its sample of 10,000 family panelists.

The *Household Report* also introduces a new format for analyzing the various restaurant types. Restaurants are now grouped according to their service format into one of three major segments instead of the original perceived restaurant types (fast food, family, cafeteria and atmosphere/specialty). Here is a look at the new groupings.

(1) **Quick service restaurants**

- Primarily fast food establishments
- Usually do not offer tableservice
- Often offer take-out service
- Check size averaged $2.22 in 1983.

(2) **Midscale restaurants**

- Includes restaurant types, such as family, cafeteria and coffee shops
- Usually offer tableservice
- Some offer wine and/or beer, but few provide cocktails
- Check size averaged $3.79 in 1983.

(3) **Upscale restaurants**

- Primarily white tablecloth restaurants
- Offer full service
- Usually offer wine, beer and cocktails and accept credit cards
- Many accept reservations
- Check size averaged $8.24 in 1983.

To give operators even more detailed information, NRA has developed subcategories for the three service segments. This breakdown should help restaurateurs gain a more meaningful perspective for comparison of their establishment's performance. (See the chart below for a complete breakdown of these categories and the specific restaurant types each contain.)

Information from the *CREST Household Report* was first reported during the 1981 summer quarter, which means there is now enough historical data to provide a thorough comparative analysis of the *Household Report* information. For the convenience of readers, however, we have included the *Family Report* results for the spring quarter.

NRA's CREST Report will continue to summarize total industry traffic, industry sales, visit frequency and meal period information.

Customer traffic leaps 7.5 percent . . .

Customer counts at the nation's restaurants leaped 7.5 percent during the March-April-May quarter—the strongest quarterly performance since the *Household Report* started in the summer of 1981. This maintains a steady upward climb in traffic growth. Traffic was up 6.2 percent during the winter quarter and 5.2 percent in the fall period.

The significant traffic gains reflect the continued strength of the economy. Consumer confidence remains high due to the fairly stable inflation rate, moderating food costs and the continuing drop in the rate of unemployment. For instance, the unemployment rate dropped to 7.5 percent in May—the lowest it's been since August 1981. Inflation has remained moderate and recorded a 4.4 percent average gain during the first five months of the year. Menu prices, as reflected in the food away from home index, rose 4.2 percent between January and May from a year earlier—slightly slower than the overall increase in consumer prices.

The outlook for the second half of the year looks increasingly bright. For example, the U.S. Travel Data Center has forecast that travel will hit an eight-year high during 1984 and vacation travel will jump six percent. This should give the restaurant industry a healthy boost—particularly during the summer months.

More good news: NRA has revised its original

Quick service restaurants	Midscale restaurants	Upscale restaurants
Sandwich/varied menu*	**Family style***	**Varied menu***
—Varied menu	—Varied menu	—Varied menu
—Hamburger	—Family style	—Unclassified
—Other sandwiches	—Unclassified	
—Retail		
—Unclassified		
Specialty*	**Specialty***	**Specialty***
—Fish/seafood	—Fish/seafood	—Fish/seafood
—Chicken	—Family steak	—Steak
—Pizza	—Sandwich	—Barbecue
—Barbecue	—Barbecue	—Other
—Other	—Other	
Ethnic*	**Ethnic***	**Ethnic***
—Mexican	—Mexican	—Mexican
—Oriental	—Oriental	—Oriental
	—Italian	—Italian
Snack*	**Hotel/Retail***	**Hotel***
—Ice cream	—Hotel	
—Donut	—Retail	
	Cafeteria*	

* Restaurant subcategories which will be reviewed in each quarterly "CREST Report."

menu price prediction for 1984 and now expects menu prices to rise only 4.6 percent rather than 5.3 percent. Consequently, real sales (adjusted for inflation) for eating places are now projected to jump 5.2 percent—up from the 4.5 percent previously predicted.

Households dining out more often . . .

The traffic gain in the spring quarter was particularly strong because more households were dining out, and they were doing so more often.

The average number of times families and singles visited restaurants—visit frequency—rose a healthy 2.2 percent during the March–April–May period. This compares with a 2.9 percent gain during the winter and a slight 2.0 percent increase in the fall quarter. Nearly 80 percent of households dined out at least once during the quarter—up nearly one percentage point from the same quarter last year.

An analysis of visit frequency and proportion of households dining out by industry segments—quick service, midscale and upscale—shows that quick service restaurants experienced the largest gains. Visit frequency was up by 2.2 percent in this segment. Midscale and upscale restaurants registered slight decreases in visit frequency—0.3 percent and 0.9 percent, respectively.

Restaurant sales up 11.8 percent . . .

CREST sales continue to post strong gains and advanced 11.8 percent during the spring period. This compares with a 9.9 percent increase in the winter quarter and a 6.0 percent gain during the fall months.

The average expenditure for a restaurant meal or snack—per person check size—rose a moderate 4.0 percent during the spring quarter. This is up slightly from the 3.7 percent gain posted in the winter period.

The 4.0 percent increase in average check size is lower than the 4.2 percent gain in menu prices recorded by the Consumer Price Index (CPI) for food away from home during the months of March, April and May.

Traffic up during meal periods . . .

Traffic increased substantially during the three major meal periods in the spring quarter, but breakfast stole the show by posting a 15.9 percent gain. Lunch traffic jumped 8.1 percent—its strongest performance since the CREST Household Report began. The continuing decline in unemployment has most likely helped boost traffic during this meal period. The dinner meal also experienced a healthy quarter, with traffic rising 8.7 percent.

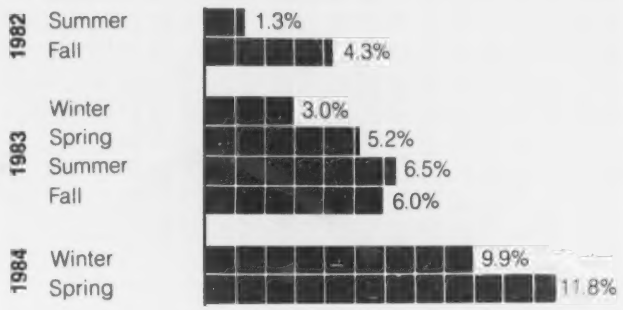
Breakfast highlights:

- Breakfast sales jumped 18.1 percent.
- The average check at breakfast reached $2.24—a slight 1.8 percent increase.
- Visit frequency was up 2.5 percent, which contributed to the strong traffic gain.

Lunch highlights:

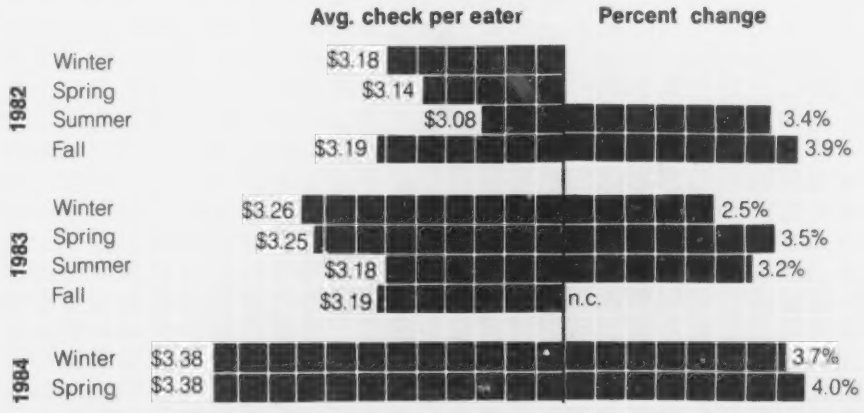
- Lunch sales rose 13.4 percent.
- The average check reached $3.12—up 5.0 percent from a year earlier. The increase—slightly stronger than the 4.0 percent average posted by the industry—most likely helped boost sales.
- Households ate lunch out approximately five times

Percent change in quarterly CREST sales*
(summer 1982-spring 1984)



* Sales based on total U.S.; average for two-week period each quarter.
Note: Percent change is from the same quarter in prior year.
Source: *CREST Household Report*, CREST, NPD Research, Inc.

Average per person check*
(summer 1982-spring 1984)



* Based on average for two-week period.
Note: Percent change is from the same quarter in prior year.
Source: *CREST Household Report*, CREST, NPD Research, Inc.

during the average two-week period—no increase from the prior year.

Dinner highlights:
- Dinner sales rose 11.6 percent.
- The average check increased 2.7 percent—somewhat below the industry average.
- Visit frequency was up a slight one percent.

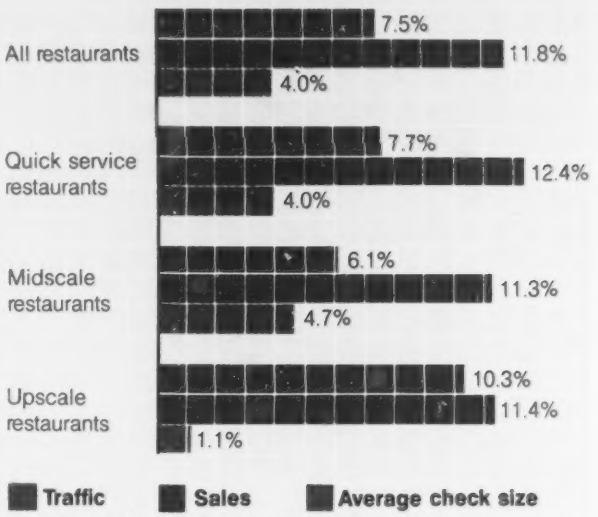
Upscale restaurants post strongest gain . . .

Traffic was up in all three of the major industry segments—quick service, midscale and upscale. Upscale restaurants posted the strongest gain, followed by quick service and midscale establishments.

Upscale restaurant highlights:
- Consumers' continued confidence in the economy and in their own personal situations helped boost traffic 10.3 percent in the upscale segment.
- Promotions were used on 8.3 percent of the occasions, up from 6.9 percent a year earlier. That, combined with a very low 1.1 percent increase in the average check size, probably gave consumers a favorable view of the price/value of dining at an upscale restaurant and helped boost traffic.
- Sales jumped 11.4 percent, probably fueled by a strong 7.5 percent gain in the number of households dining out.
- Upscale ethnic restaurants showed the strongest jump in traffic—16.0 percent. The major increase was at upscale Oriental restaurants.
- Varied-menu establishments experienced a substantial 9.9 percent gain in traffic.
- Traffic rose 4.3 percent at upscale specialty restaurants, held back somewhat by a small decrease in traffic at upscale seafood outlets.

Quick service restaurant highlights:
- Traffic rose 7.7 percent at quick service restaurants, and sales increased 12.4 percent.
- The average check size reached $2.33—a 4.0 percent increase from a year earlier.

Spring quarter performance by restaurant segment



Note: Percent change is from the same quarter in prior year.
Source: *CREST Household Report*, CREST, NPD Research, Inc.

- Promotions were used on 14.0 percent of the occasions, only slightly below last year.
- Specialty quick service establishments experienced the strongest increase in traffic—14.0 percent. Pizza and chicken restaurants showed the largest increases.
- The ethnic and sandwich/varied menu categories posted moderate traffic gains—7.5 percent and 7.8 percent, respectively.
- Quick service snack establishments reported a 7.1 percent drop in traffic.

Midscale restaurant highlights:
- Midscale restaurants experienced a 6.1 percent traffic gain and an 11.3 percent jump in sales.

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry, including information by type and classification of restaurant and also by meal or snack period.

Approximately 10,000 families and 2,800 non-family households, representing demographic patterns in the U.S., have been selected to participate in the study. Each household is asked to record every meal and snack experience during a particular two-week period for each of the four quarters of the year. Detailed entries are required for meals eaten or purchased away from home in establishments such as restaurants, hotels and motels, fast food/drive-ins, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary does not include any meals eaten at schools, hospitals, college or other institutional feeding places.

CREST information can help restaurateurs compare their operation's performance with that of the total industry as well as with specific restaurant categories (quick service, midscale or upscale restaurants).

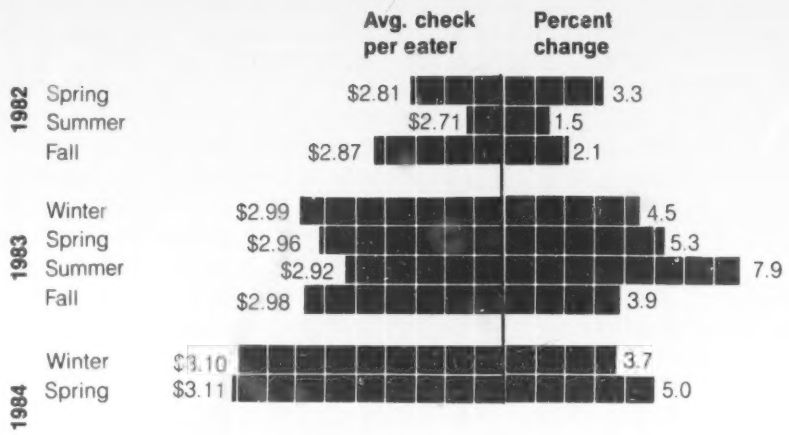
The CREST study can also provide valuable information concerning customer behavior, such as how much people spend, where they spend and when they spend. And, because it is an ongoing study, CREST information allows comparison against a standard—an aid in the development of trend analysis.

Readers wishing more information on the CREST study should contact GDR/CREST Enterprises, one of the NPD Group of marketing and research companies, 9801 W. Higgins Rd., Rosemont, IL 60081.

- The average check size was $3.97—a 4.7 percent increase compared with 1983.
- Promotional usage dropped from 8.8 percent of the occasions to 8.4 percent.
- Family style and ethnic restaurants stole the show in the midscale category and reported traffic increases of 13.9 percent and 13.0 percent, respectively. Oriental restaurants, in particular, showed a large leap in traffic.
- The hotel/retail and speciality restaurant categories showed moderate traffic growth—5.8 percent and 6.0 percent.
- Cafeterias experienced a drop in traffic—8.0 percent.

—Cecelia Niepold

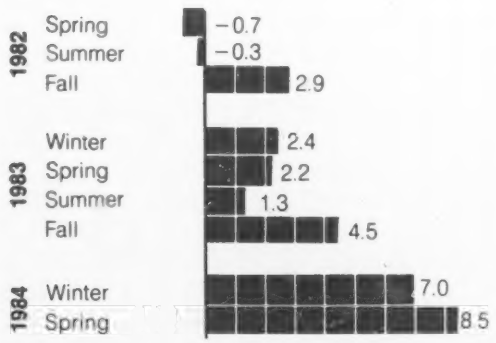
Average per person check[1]



1 Based on average two-week period.

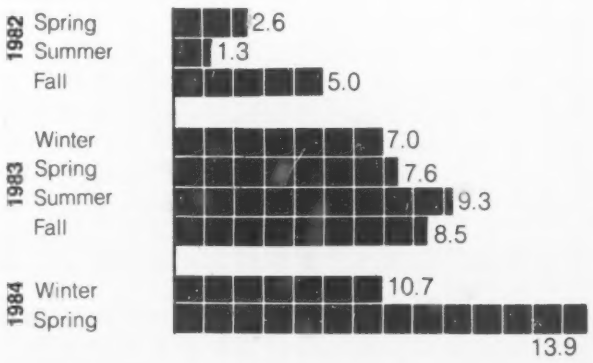
CREST *Family Report*

Percent change in quarterly customer traffic



Note: Percent change is from the same quarter in prior year.
Source: *CREST Family Report*, CREST, NPD Research, Inc.

Percent change in quarterly CREST sales[2]



2 Sales based on total U.S., average for two-week period each quarter.

CREST Family Report highlights*

The *Family Report* reported an 8.5 percent jump in traffic during the spring quarter. This marks the best quarterly performance in more than five years and continues the strong upward movement begun in the fall period. Sales also leaped, rising 13.9 percent during the March–April–May period. The average check size reached $3.11—up five percent from a year earlier.

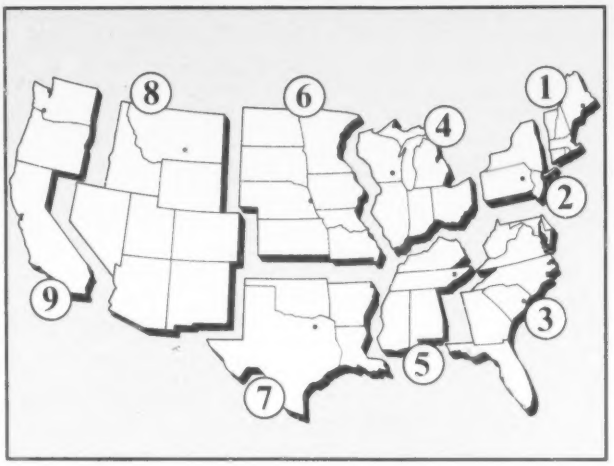
Readers may note that the 8.5 percent increase in traffic shown in the *Family Report* is somewhat above the 7.5 percent gain posted by the *Household Report*. This is most likely due to the influence of singles in the *Household Report*. Families probably cut back their dining out more than singles did during the recession and, consequently, the *Family Report* is now showing a stronger increase in traffic compared with a year earlier.

*** As a convenience to readers, this quarterly report will include customer traffic, sales and average check data from the *CREST Family Report*. The next CREST Report will only contain information from the new *Household Report*.**

HOW'S BUSINESS

by Cecelia Niepold

This month's interviews demonstrate that operators must find their niche and then keep customers interested—whether they operate a pizza establishment or a converted mansion.



1 NORTHEAST

Location: Bar Harbor, ME
NRA member: Christopher Coston
Operation: West Street Cafe
Profile: Casual seafood restaurant
In business: 4 years
Meals served: Lunch, dinner
Seats: 100

"I've had an excellent season and am running ahead of last year," says ***Christopher Coston,*** owner of the West Street Cafe. He's enthusiastic about the rest of the year and thinks business in the entire state is up.

Tourism is the major industry in Bar Harbor, and the season generally runs from Memorial Day to Columbus Day. Coston concentrates on his local customers as well as on tourists and believes that combination helps his overall business. He reasons that if the locals like his restaurant, they'll recommend it to tourists.

2 MIDDLE ATLANTIC

Location: Reading, PA
NRA member: Harold Leifer
Operation: Jimmie Kramer's The Peanut Bar
Profile: Family-owned restaurant and tavern
In business: 60 years
Seats: 145
Meals served: Lunch, dinner

According to ***Harold Leifer,*** president of Jimmie Kramer's The Peanut Bar, unemployment is low in Reading and business is generally good. Actively involved with downtown civic organizations, Leifer is very positive about the future of the center city and is considering an expansion program for his restaurant.

Not surprisingly, The Peanut Bar's trademark is peanuts. "We give away, on average, a ton of peanuts every four or five weeks. Since we started in 1933, we've given away enough peanuts to stretch from Bangor, Maine to Miami, Florida," Leifer says proudly.

Jimmie Kramer started offering peanuts to emphasize his good quality draft beer. What began as an attention-getting idea is now a major part of the establishment's overall personality. Customers are still encouraged to scatter the shells on the floor.

3 SOUTH ATLANTIC

Location: Pawleys Island, SC
NRA member: W. Louis Osteen
Operation: The Pawleys Island Inn
Profile: White tablecloth restaurant
In business: 5 years
Seats: 205
Meals served: Lunch, dinner

"Business has been super this year," says ***W. Louis Osteen,*** owner of The Pawleys Island Inn. "We're doing five times the volume since we bought the place five years ago," he says proudly. The stronger economy is one of the reasons his business is up. The inn is located in a resort area, and more people are traveling and spending money.

Osteen differentiates his restaurant from other establishments on the coast by offering fresh local and regional dishes, served with flair. One specialty is fresh, grilled, South Carolina squab served with crawfish dressing and giblet gravy.

4 EAST NORTH CENTRAL

Location: Wauwatosa, WI
NRA member: Robert Linscott
Operation: Gilles Frozen Custard
Profile: Establishment serving frozen custard and fast food
In business: 7 years
Seats: none, carryout only
Meals served: Lunch, dinner, snacks

"We're in an industrial area, and industry is still hurting," says ***Robert Linscott,*** owner of Gilles Frozen Custard. Even so, business has been very good for his establishment because Gilles has a unique spot in the marketplace. Although Gilles offers a variety of fast food items, it's the frozen custard that really sets the place apart.

Frozen custard is hard—not soft—ice cream with an egg in it. It's denser than regular ice cream (has less air in it). Although it is only available in two flavors—vanilla and chocolate, the toppings make for nearly endless combinations.

Linscott admits that if customers are not from the Milwaukee area, they think frozen custard is frozen pudding. But once sampled, the custard is not easily forgotten. Out-of-towners often write asking for names of area frozen custard dealers, but the custard seems to be a local Milwaukee specialty.

5 EAST SOUTH CENTRAL

Location: Knoxville, TN
NRA member: Russell Kuhlman
Operation: Stephano's Chicago Style Pizzeria
Profile: 2 pizza restaurants

In business: 7 years
Seats: Average 80
Meals served: Lunch, dinner

The economic climate in Knoxville "ain't great" says ***Russell Kuhlman,*** owner of Stephano's Chicago Style Pizzeria. "We didn't really have the recession because of the World's Fair, but since then, things have been pretty flat," he explains.

What's a Chicago-style pizzeria doing deep in the South? Quite simply, a demographic study showed Knoxville could use one. And, according to Kuhlman, Chicago-style pizza has become so popular he'd like to open several more units in the next year.

6 WEST NORTH CENTRAL

Location: Omaha, NE
NRA member: Linda Herzog
Operation: The Baking Company
Profile: Wide-ranging operation including a restaurant, bakery, gourmet market, oyster bar, wine bar and catering
In business: 5 years
Meals served: Lunch, dinner
Seats: 100

The general business environment in Omaha is "OK," according to ***Linda Herzog,*** owner of The Baking Company. Since she started her business five years ago, however, she's seen a definite improvement in the economy. Herzog is optimistic about the future and is substantially expanding her establishment.

Herzog believes it's important to "invent and create" things. Although Omaha is still basically a meat-and-potatoes town, she focuses on lighter entrees, such as grilled fish with almond butter.

Initially, her establishment had a reputation as a ladies' tearoom, and Herzog is trying to change this by revamping the seating patterns to make more intimate areas and by adding different concepts. She feels that adding an oyster bar (a rarity in Nebraska) and a wine bar (there isn't one in Omaha) will expand her customer base.

7 WEST SOUTH CENTRAL

Location: Dallas, TX
NRA member: Patrick Colombo
Operation: Mansion on Turtle Creek
Profile: Elegant restaurant and hotel located in a restored 1925 mansion
In business: 4 years
Seats: 142
Meals served: Breakfast, lunch, dinner, afternoon tea

"Business is tremendous!" says ***Patrick Colombo,*** food and beverage director at the Mansion on Turtle Creek. Volume at the restaurant is up about 10 percent over last year, and Colombo is very optimistic about the year ahead.

Business in the general Dallas area is "pretty good," but Colombo thinks the city may be somewhat overbuilt in anticipation of the Republican National Convention.

What's the secret behind the Mansion's success? "Guest recognition and making people feel at home," maintains Colombo. One way the Mansion accomplishes this is by offering house charge accounts. These special accounts make customers feel privileged and also encourage repeat patronage.

Thorough employee training is another way the restaurant ensures top service. At some training sessions, guests are brought in to speak to the staff about the service they received—both good and bad.

Employees are also well trained in specific areas, such as wine salesmanship. Every front of the house employee is required to take a nine-week wine course. Wine sales have jumped since the program began, and the courses may be opened to the public.

8 MOUNTAIN

Location: Billings, MT
NRA member: Mike Sayles
Operation: Yellowstone Kelly's
Profile: Multi-faceted operation including full-service catering, a deli, a bakery and a restaurant
In business: 3 years
Seats: 96
Meals served: Lunch, but will cater any meal

"The general business climate here is good," says ***Mike Sayles,*** co-owner of Yellowstone Kelly's. Billings weathered the recession well due to a concentration of somewhat recession-proof businesses in the area—primarily energy-related industries and agriculture.

Sayles is optimistic about the future—an optimism that is encouraged by a large office complex that is being built right next to his establishment.

Yellowstone Kelly's serves customers in both cities and canyons and seems to have adapted well to its varied market. For instance, because they serve many customers in remote areas, they have their own "kitchen on wheels"—a completely self-contained 50-foot mobile trailer kitchen. One of the recent remote jobs was serving 700 people at a mine site.

A popular service with "city customers," especially executives, are box lunches that include croissant sandwiches, fruit, chips and dessert.

9 PACIFIC

Location: Vancouver, WA
NRA member: George Propstra
Operation: The Holland Incorporated
Profile: 28 fast food units called Burgerville U.S.A.; 4 family style units called Holland Restaurants
In business: 45 years
Seats: 150-200 (Holland Restaurants), 70 (Burgerville U.S.A.)
Meals served: Breakfast, lunch, dinner

"Business is excellent," says ***George Propstra,*** chairman of the board of The Holland Incorporated. He feels that the company's success is due to a dedication to quality, cleanliness, giving value for the dollar and promotions.

Although statistics suggest the northwest is experiencing slow growth, Propstra believes the economy in the area is "pretty good." He's optimistic about the future and is building three or four units a year.

Propstra opened his first fast food unit 20 years ago because he felt times might get tough, and it was important to be able to serve people faster and less expensively. Apparently his foresight has paid off because his family restaurants are currently showing slower growth than his fast food outlets. "People are looking for value more than ever before," he explains.

FOOD FOR THOUGHT

Baseball food Japanese style

The best-selling food items in Japan's baseball parks would seem a little unusual to the typical American sports enthusiast. Instead of hotdogs, popcorn and peanuts, Japanese ballpark attendees devour barbecued squid, grilled corn on the cob, curried rice and tempura dishes. Or, if a complete meal sounds better, a box lunch of raw fish, seafood and steamed rice can be purchased at the food concessions.

—USA Today

A 40-ruby cake

What began as a thank you to loyal customers has now become a yearly promotional tradition. Jeweler Matthew Schwartz, owner of Bryan Jewelers in Milford, CT, celebrated his third year in business by offering customers a piece of the store's birthday cake.

This heart-shaped Italian creme cake—measuring four feet high—appeared normal, but it contained 40 rubies—more than $1,000 worth. More than 1,280 customers showed up to sample this treat. (The rubies were placed in plastic containers and added to the cake before it was frosted.)

"The first year I decided to use diamonds, the second year sapphires," explains Schwartz. "This idea is a tremendous hit with our customers."

Next year—emeralds.

—USA Today

'Human beings only need apply'

When a restaurant gets to be so popular that outside crowds, waiting to get in, become impatient and sometimes unruly, it may be time to hire security guards. That's what the Hard Rock Cafe of New York City does to keep its waiting customers, often as many as 15,000 in one week, in tow. These guards act as peacekeepers, information givers and VIP caretakers. But they are not bullys or superstars.

What does the Hard Rock Cafe look for in its security personnel? "Someone with personality, intelligence and a little brute strength. A Michael Douglas type," says Manager Joyce Faiola, or, as the restaurant's ad put it—"human beings only need apply."

One added criterion—they have to be honest. "As honest as Boy Scouts—no alcohol and no bribes," says Faiola. When the restaurant first opened, bribes of $100 were offered to cut in line.

—New York Times

Giveaways cut back on walkaways

The foodservice halls at the University of New Hampshire in Durham, NH, used to have a problem with customer theft. For years, the dining halls were plagued with student stealing of trays, mugs, china and silverware for use in their rooms between meals. This year, rather than sit back and wait for the expensive borrowing to begin, Director of University Foodservice Ingeborg Lock came up with a plan.

The dining service presented all 5,000 students with their own university mug and plastic silverware when they arrived in the fall. Although the mugs cost the university $4,000, theft plummeted. During the whole year, for all 1.2 million meals served, only 2,700 pieces of silverware were taken, 1,168 plastic mugs and 228 china mugs. Lock is so pleased with the results that he will follow the plan again next year.

—NRA NEWS interview

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